FBIS DAILY REPORT

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CARTAGENA CONSENSUS MEMBERS MEET IN MONTEVIDEO

Uruguay's Sanguinetti Speaks

PY171441 Paris AFP in Spanish 1558 GMT 16 Dec 85

[Text] Montevideo, 16 Dec (AFP) -- Uruguayan President Julio Sanguinetti today maintained that Latin America's creditors need to understand Latin America's situation and the need to take another step to lighten the burden of the foreign debt (approximately $360 billion).

The chief of state, who opened the fourth meeting of the Cartagena Consensus -- the 11 countries of the region with the largest foreign debts -- stated that the phenomenon generated by the debt has been managed over the years, but without a definite solution, and he warned that the international repercussions are getting worse every day.

Sanguinetti highlighted the political foothold that has been gained by the Cartagena Consensus, thanks to its rigorous position, its independent ideas, and its high station, and he maintained that the Baker Plan, proposed by the United States to help lighten the burden, in principle acknowledges the need to create channels to find a solution to the debt.

According to the Uruguayan president, this acknowledgment is the highest value contained in the U.S. proposal because it acknowledges as valid the Latin American position that the debt cannot be dealt with in the conventional, traditional way. He indicated that the Baker Plan has its shortcomings and its insufficiencies, but he insisted that it supports the position of the debtor countries.

He stressed that this acknowledgment also rejects the extreme attitude of not wanting to pay the debt. This was proposed by some countries, but then most of them backed away from this position.

The Uruguayan president defended the principles supported by the Cartagena Consensus, including the political treatment of the debt, and warned that if there is not a just solution to the problem, the democratic world of Latin America, and most particularly the democracies that have emerged after long periods of dictatorship will begin to suffer the consequences.

After defending the region's possibilities for growth, Sanguinetti complained about the low prices of raw materials, the fluctuations and lack of stability on the oil market, and the enormous transfer of resources to the industrialized areas.

We are submerged in an international trade situation that is making our situation worse every day because of the decrease in prices. he said, and if today we did not have a debt we would have acquired one in a short time. He also stressed that if the terms were better, the debt would now be of secondary importance.

Finally, Sanguinetti maintained that Latin America's proposals are characterized by their rationality, austerity, and scientific appreciation of facts.

He concluded by saying that it is vital to understand that we are now in an emergency situation.

Baker Plan Discussed

PY171640 Madrid EFE in Spanish 2051 GMT 16 Dec 85

[By Alberto Pepe Leira]

[Text] Montevideo, 16 Dec (EFE) -- Foreign ministers and finance ministers from the Cartagena Consensus today agreed on the need to make payment of the Latin American foreign debt compatible with regional economic growth. After the initial discussions in Montevideo, representatives of the nations owing most of the $360 billion debt -- which is Latin America's total foreign debt -- emphasized their willingness to emerge with viable solutions from the Montevideo meeting.

One of the possibilities considered is to formulate an emergency program for economic recovery. The "Baker Plan," which foresees granting credits totaling nearly $30 billion to the indebted countries in exchange for the implementation of austerity policies, is among the meeting's main topics. Since there are disagreements among the Latin American nations in their response to the offer made by the Reagan administration, the road has been paved within the Cartagena Consensus for a program of its own which is to include the "Baker Plan."

Colombian Foreign Minister Augusto Ramirez Ocampo has stated that Latin America "must make up for lost development." In an interview with EFE, Ramirez Ocampo stated that the foreign debt problem "has caused us a 10-year delay," and therefore "we must find concrete solutions." Ramirez Ocampo admitted that "we are living under very complex social and economic conditions." He admitted, however, that comprehensive solutions will be sought in order to maintain the unity within the Cartagena Consensus.

Argentine Foreign Minister Dante Caputo has stated that "the Latin American countries are making a great effort to meet their international obligations, and that stance must be understood and endorsed by the rich nations." Caputo added: "It is essential that our nations be allowed to grow in order to meet the foreign debt, but the world must be clearly aware of the austerity programs and the efforts we are making to balance our economies."

The Argentine Foreign Minister stated that "the developed countries should not put pressure on us with the single goal of collecting the debt, without paying heed to the extremely serious situation Latin America is experiencing." Caputo also stated that the debt is not just an economic issue, but obviously a political one as well.

In turn, Peruvian Vice President and Economy Minister Luis Alva Castro stated that "we have come to seek unity within the Cartagena Consensus and to demonstrate that we are willing to work unitedly toward integrating our peoples."

Alva Castro highlighted for EFE the Peruvian concept of achieving economic growth and paying its foreign debt by allocating 10 percent of its exports. The Peruvian vice president said that "this decision put us up against the IMF, but it is one of the key points of the Cartagena Consensus that we cannot continue allocating all our income to pay the debt."

Alva Castro clearly said that "we all consider the Baker Plan to be insufficient, for which reason we must seek other ways. We are willing to contribute with interesting ideas."

The ministers agree that the "Baker Plan" must be included within an emergency program for economic recovery.

Uruguayan Foreign Minister Enrique Iglesias, secretary of the Cartagena Consensus, told EFE that "if we manage to invigorate trade and increase it by 20 percent, Latin America will receive an additional $20 billion yearly." "We are very close to reaching agreement on an emergency program," Iglesias stressed, after the first meeting concluded. Iglesias told EFE about the initial steps of the meeting, which is to conclude on Wednesday. He is very optimistic. He said: "We have started very well."

For his part, Mexican Foreign Minister Bernardo Sepulveda Amor emphasized that the Montevideo meeting confirms "Latin America's spirit of unity." Mexico has a $96-billion foreign debt, ranking second after Brazil, whose foreign debt totals $100 billion. Sepulveda Amor added that the "Baker Plan" for economic recovery "is interesting because it expressly recognizes the responsibility shared by the creditor and debtor countries to overcome the situation."

Peru's Prime Minister Speaks

PY171908 Paris AFP in Spanish 2322 GMT 16 Dec 85

[Text] Montevideo, 16 Dec (AFP) -- Peruvian Prime and Economy Minister Luis Alva Castro has told AFP that the Baker plan, offered by the United States to help alleviate Latin America's foreign debt, is a nonconventional political response to regional demands.

Alva Castro, who is attending the fourth meeting of the Cartagena Consensus (the 11 most heavily indebted Latin American countries), stressed that the consensus has gained some political elbow room and is beginning to be acknowledged. He added that the group intends to maintain unity and solidarity as the key for progress.

The Peruvian premier said that the Baker Plan and its program to disburse $29 billion is actually a step forward because it is an admission of what had been denied us because of a hitherto purely financial approach to the foreign debt issue.

However, Alva Castro went on to say that Latin America must not fall prey to easy, short-term solutions, and emphasized that the creditors must realize that it is impossible for Latin America to service its foreign debt, which totals approximately $360 billion. He also indicated that traditional rescheduling formulas do not effectively alleviate the burden because they restrict development in the countries involved.

Alva Castro defended his country's decision to pay only 10 percent of the income obtained from its exports to service the foreign debt, and made it clear once again that Peru has never reneged on its debts. He said that now all the countries are beginning to realize the value of this decision, which is part of a plan that has already succeeded in reducing a 3-digit annual inflation rate to 36 or 40 percent.

According to Alva Castro, the Baker Plan contains requirements that undermine the actions of multilateral organizations and seek to preserve adjustment formulas no longer in step with reality. He went on to say that the idea is to institutionalize a permanent transfer of funds and recalled that, while between 1960 and 1980 Latin America received fresh resources amounting to 1 percent of its GDP, in 1984 and 1985 it transferred 3 percent of its GDP abroad.

The Peruvian prime and economy minister said that the Montevideo meeting should come up with an alternative plan that will use a different approach in the quest for a reform of the international monetary system and that will establish links between the system, the institutions that manage it, and the foreign debt issue.

It was recalled that Peru had proposed to institutionalize the dialogue between debtors and creditors and tie servicing of the principal to improvement of the terms of trade, to more flexible adjustment programs, and to a realistic rescheduling of the debt. Some points of this proposal will be included in the final declaration that has been drafted by Mexico, Brazil, Argentina and Uruguay.

Alva Castro also blamed the growth of the principal on the lack of supervision over fiscal policies in the developed countries. He said that the Cartagena Consensus will provide solutions, both overall and specific, to the problem, taking into account the positions of each of the group members, who will probably decide to call a presidential summit next year in Panama.

Sources of various delegations told AFP that the final declaration of the meeting will not reject the Baker Plan as insufficient, but will disagree with the current terms of trade, the interest rates, and the decline of exports. The sources added that the meeting will end tomorrow night and the declaration will expose the shortcomings of the plan and lay the foundations for another option. They indicated that there will be no formal rejection, because the initiative is so far only a proposal that has not been accepted by any Latin American nation.

Montevideo Declaration Issued

PY180200 Montevideo Radio Carve in Spanish 0000 GMT 18 Dec 85

[Text] The foreign and economy ministers of the Cartagena Consensus countries have just ended their meeting at the Municipal Palace. After 48 hours of deliberations, the ministers approved the Declaration of Montevideo, which begins by pointing out that over the past 5 years, the living standards of the Latin American peoples have reverted to the levels prevailing a decade ago.

It adds that the enormous efforts undertaken to put our economies in order, to improve our efficiency, and to increase our exports have not been enough because no effort can compensate for the extraordinary deterioration of the international situation that affects the countries of the region.

In an introductory analysis, the ministers pointed out that not even the strictest adjustment by any of our countries can cope with the very easy burden of foreign debt servicing, which for the most part stems from real interest rates, which are several times higher than their historical average.

The Declaration of Montevideo adds that no effort will be enough to compensate for the losses caused by the exceptional slump in the prices of our products on the international market. Subsidized products in competition with our products, the closure of markets, and the lack of growth in our region have caused serious problems that have caused instability and social tension, putting the consolidation of the democratic processes in jeopardy.

Latin America must resume its growth. This is the unpostponable commitment that the governments have with their people, the declaration states.

Based on this situation, the ministers drew up an emergency program with a view toward obtaining the resources needed not only to compensate for the losses generated by high interest rates and deteriorated terms of trade, but also to finance the investments needed to achieve our expected growth.

This emergency Montevideo proposal, which deals with renegotiation of the debt and with our growth, is of a temporary nature. It is based on the following measures: First, the return of real interest rates to their historical level; second, an increase in the inflow of funds; and third, separation of the debt into a current and future portion. Uruguayan Foreign Minister Enrique Iglesias read the main points of the declaration.

[Begin Iglesias recording] The growth of the Latin American economies is an unpostponable demand that must be taken into account by any formula seeking to solve the region's foreign debt. It is necessary to grow at a high rate to compensate for the lag in the first half of the 1980's. Among our targets are doubling the region's output by the end of the (?century). Therefore, the transfer of financial resources outside the region will have to be reversed in order to reach an investment level in line with this target. On the other hand, [words indistinct] will allow them to attain their balance-of-trade targets.

The effects that the strongest investment and technology efforts may have on the balance of payments will fail if the industrialized countries maintain their current protectionist measures. The emergency measures must provide us with the necessary resources to compensate for the losses caused by the high interest rates and the deteriorated terms of trade, and to finance the investments needed for our projected development.

This emergency proposal, which deals with renegotiation of the debt and with our growth, is a temporary measure. It is based on the following essential measures: First, a reduction of the real interest rates to their historical levels and a reduction of bank profit margins. Interest rates are a major element in solving the problem. Therefore, it is vital to reduce them in order to successfully implement this emergency proposal. Should interests remain unchanged, any effort to refinance the debts will fail, because the debt will grow at an unsustainable rate. The ministers pointed out that it is imperative to undertake joint action to reduce the real interest rates to their historical level as the only way to restore normalcy within the international financial system, which will favor everyone.

Second, the inflow of funds must increase and the debt must be divided into a current and future portion. The objective of this measure must be the return of the real interest rates to their historical, normal, average levels.

During the transition period, it will be necessary to increase and accelerate the influx of resources into the region. These resources should compensate for the temporary balance-of-payments unbalances caused by the current interest rates, the debt burden, and the prices of the international market. Such resources should also provide the necessary support for the investment programs aimed at introducing structural changes that should promote growth and increase the influx of hard currency.

An effort will have to be made to consider the possibility of separating the existing debt from any new credits.

Third, the credits granted by the commercial banks must be maintained in real terms.

As a minimum condition, the commercial banks should maintain the level of their credits to the region in real terms -- that is, the annual increase of the credits offered to the region should at least equal the international inflation rate. This criterion must be respected for the region as a whole and for each country in particular, to the extent that this is consistent with its own policies.

Fourth, the net transfer of resources must be limited. For this purpose it is necessary to establish a ceiling for the transfers in connection with a minimum GNP growth. [Words indistinct] of the (?servicing) of the debt in connection with the export income compatible with the needs posed by the development and socioeconomic demands of each country.

Fifth, the resources of multilateral development agencies must be substantially increased. These agencies must substantially increase the flow of net resources channeled to the region. A net annual increase of 20 percent has been proposed for the next 3 years. This accelerated increase will bring about considerable changes in the attitude, policies, and structure of multilateral agencies, including more flexibility in the use of their resources. [end recording]

The ministers of the Cartagena Consensus also decided that they will hold another meeting in Uruguay, on a date still to be established, and that the Uruguayan representative will continue to discharge the duties of temporary secretary of the organization.

REACTIONS TO C. AMERICA PEACE MARCH REPORTED

Costa Rica Condemns Attacks

PA171653 San Jose Radio Reloj in Spanish 1200 GMT 17 Dec 85

[Text] A communique issued by the Costa Rican Presidential House yesterday states that the government condemns any incident that may have resulted from the so-called March For Peace through the nation, and notes that those using propaganda against our election process and our democracy's external image could utilize such incidents to their advantage.

The march pacifists were warned by Costa Rican consular officials in Panama about the adverse environment awaiting them here, the communique states. It adds: They were clearly told that they could enter our territory protected by human rights and fundamental liberties, but they would not be welcomed by the government.

On Sunday night, in a deplorable action, a small group of hotheads threw rocks and bottles at the pacifists, but the police intervened to stop the aggression, disperse the hecklers, and offer protection to the pacifists.

The government rejects the ignoble behavior of the few who acted in contradiction to the democratic tolerance and general attitude of the Costa Rican people. In a de jure state like Costa Rica everyone has the right to express his opinion and meet and move about without obstacles, the communique adds.

In confirming that the pacifists had left for the northern border in buses placed at their disposal by the government and under the protection of a Civil Guard escort, the government appealed to the citizens to exercise full democratic tolerance.

The communique also notes that the government hopes that peaceful coexistence will be the norm during the remainder of the electoral campaign. This is the first official statement the government has made regarding this matter since the arrival of the pacifists in Costa Rica, a situation that brought some unrest to the country because of the rejection that the presence of foreigners has elicited here.

Minister Scores March Attackers

PA172330 San Jose Radio Reloj in Spanish 1200 GMT 17 Dec 85

[Text] The government minister of Costa Rica has said that those who caused the unrest the night before last and at dawn yesterday in El Albergue should be put on trial. It has been confirmed that some people are responsible for throwing rocks and other articles, as well as some gas similar to tear gas at the peace march people. This produced some minor injuries and property damage to the building.

Minister Enrique Obregon said he is concerned about the presence in the country of groups that act violently and out of control of the authorities. He said the government has been concerned with the country being discredited regardless of the position it adopted regarding the March for Peace.

The minister said President Monge knows that people who are internationally well-known, especially in Europe, were coming with the march. This fact, along with the uncertainty about whether or not the country had the resources to guarantee the marchers' security, concerned the president, the minister said.

Honduras Bars Marchers

PA172321 Panama City ACAN in Spanish 1949 GMT 17 Dec 85

[Text] Tegucigalpa, 17 Dec (ACAN-EFE) -- The Honduran Government will not allow the participants in the March for Peace in Central Americal to enter Honduran territory. The march began in Panama last week and is scheduled to end in Mexico.

The participants in the march were expelled from Costa Rica after their presence in that country provoked public disturbances with an anticommunist group.

At the present time, the 300 participants in the march are in Nicaragua, where they were received as "heroes of peace".

MEETING OF C. AMERICAN PRESIDENTS POSTPONED

PA172314 San Jose Radio Impacto in Spanish 1830 GMT 17 Dec 85

[Text] It has been learned that the Guatemalan Government has requested that President Monge postpone the preparatory meeting of the Central American presidents' representatives that was slated to begin in 2 days. The request was made in view of the fact that new presidents will be taking over in January in both Guatemala and Honduras, and it would be best if the new presidents of those countries are the ones who make the decisions.

LEGISLATORS OPPOSE C. AMERICA DESTABILIZATION

PA161742 Mexico City EL DIA in Spanish 10 Dec 85 p 15

[Report by Gregorio Selser]

[Text] The third conference of presidents of Spanish-speaking parliaments, which was attended by Mexico, Argentina, Brazil, Costa Rica, Cuba, Ecuador, El Salvador, Spain, Honduras, Nicaragua, Panama, Peru, Uruguay, and Venezuela, among others, was held in Mexico last week without much publicity.

The sessions took place at the Chamber of Deputies Green Room. Declarations and statements were issued at the end of the meeting, with the concurrence and approval of the parliamentary presidents, that would have been considered impossible in another context. They included "satisfaction" over the "realization of multipartisan and democratic processes," among them "the January 1985 process in the Republic of Nicaragua and the culmination of this democratization process with the approval of that country's Constitution." The declarations were signed by the representatives of the Ecuadoran parliament -- although Ecuadoran President Leon Febres Cordero recently disavowed the validity of the November 1984 Nicaraguan elections -- and also by the representatives of Costa Rica, Honduras, and El Salvador, whose presidents, lending themselves to U.S. maneuvers, have questioned the legitimacy of those elections and consequently the normalization of the Nicaraguan democratic system

In considering some of the other resolutions of no less importance, we will publish some of the main ones, particularly those related to the most urgent Central American and regional problems, such as subregional peace and the foreign debt.

Political Affairs, Contadora

The conference clearly expressed its support for the Contadora Group's efforts to find a negotiated political solution, in conformity with international law, as the only valid and realistic way to consolidate peace in the region. The conference valued the cooperation given in this regard by the support group comprised of Argentina, Brazil, Peru, and Uruguay.

In the same manner, the conference deplored the fact that the Contadora Group's effort toward the signing of a Document for Peace and Cooperation in Central America is being hampered by destabilizing action in the region. These actions are leading to escalation of the arms buildup in this geographical area and violate fundamental international principles such as nonintervention, the peoples' right to self-determination, and the juridical equality of states and respect for their territorial integrity.

The conference also condemned the threat or use of force and terrorism because these actions are contrary to the spirit of international cooperation that is essential for the preservation of peace and promotion of the region's harmonious and balanced development, and recommends that in solving the crisis measures be adopted that will lead to an arms reduction in the area countries.

Meanwhile, the conference reiterates that it is necessary to unite efforts that will bring democratic processes together and eradicate ignorance, exploitation, and injustice in the region, and for this reason it condemns the increasing arms buildup that has resulted in the supply of sophisticated weapons to the region, regardless of their origin.

The conference states that the Central American conflict affects all of Latin America and, therefore, it should be resolved by the Latin Americans themselves. It also reiterates that any intervention and any effort to artificially make the conflict a part of the East-West conflict should be condemned.

Democratizing Processes in Latin American Countries

The conference reiterates its previous condemnation of repressive and dictatorial regimes of any ideology that still exist in the region, and hopes that they will return to the path of multipartisan democracy and respect for public liberties and human rights. Meanwhile, it congratulates itself for the events in Bolivia and Peru, where changes in government have been made through multipartisan and democratic election.

Economic Issues

As for the problem of the Latin American foreign debt, the conference confirms that the region's debtor countries have implemented a systematic effort to restructure their domestic economies at a high economic and social cost, and have done this in the midst of an economic situation that is permanently accelerating the deterioration of their domestic economies. Creditor countries have not reacted with justice to this situation because they fail to realize the historical origin of the debt and assume their co-responsibility for it.

Concurrent criteria were expressed during the conference in support of opinions stated in the Montevideo declaration issued during the second special assembly of Latin American parliaments on the foreigh debt. Opposing opinions were also voiced in view of the varying national outlooks on the debt.

Within this context, the conference confirms that together with efforts to restructure domestic economies the countries must seek, through negotiation and without unilateral decisions from either the creditor or debtor, solutions leading to a reduction in interest rates, the elimination of protectionist barriers established by developed countries, an improvement in prices for the region's raw materials, and fulfillment of the pressing need to channel new financing for development. This implies that the parts should recognize an imperative principle: the debt cannot be paid without growth.

The conference wishes to express satisfaction upon noticing that the international financial community has begun to embrace a principle permanently maintained by the debtors: The debt is not only an economic issue with no political or social implications and no relation to an indispensable political dialogue on general perspectives dealing with various elements blocking development and stressing the relationship between trade and debt, but it also embraces the issue of new financial flows and the problem of interest rates within a framework calling for grassroots changes in the existing unjust international economic order and the development of economic integration in keeping with UN guidelines.

Terrorism

The conference vigorously condemns terrorism in any form as a means to carry out a political struggle because it violates human rights.

Nuclear and Conventional Disarmament

The parliamentarians reiterated their opinion that atomic energy must be exclusively used for peaceful purposes and urged world countries to stop all aspects of the arms race. In addition, they support efforts by the UN Conference on Disarmament to prohibit nuclear tests.

The parliamentarians agree that a freezing of arsenals through juridical means to prevent the use of such weapons must be promoted. The conference adopts and supports the 1979 UN resolution on disarmament and the prevention of nuclear war. It also adopts the declaration of the New Delhi meeting, thus ratifying what Argentina, Greece, India, Mexico, Sweden, and Tanzania expressed jointly in 1984.

The conference praises the efforts displayed by several nations such as Peru to limit the acquisition of weapons and divert resources toward development. The conference urges that the $1.5 million per minute expenditure for weapons production be diverted to efforts to fight world poverty.

ANDEAN PARLIAMENT WILL DEFEND DEMOCRACY IN REGION

PY171605 Madrid EFE in Spanish 2227 GMT 16 Dec 85

[Text] La Paz, 16 Dec (EFE) -- The Andean Parliament has decided to take action against any attempt to disrupt any democratic system in the region. Should any action against Andean democracy be undertaken, the parliamentarians will hold an extraordinary meeting to take steps to protest and condemn those destabilizing maneuvers.

The political committee of the Andean Parliament stated that the dictators who want to impose on us de facto regimes should bear in mind the unanimous condemnation that awaits them.

The Andean Parliament met for its fifth period of sessions in La Paz from 11 through 15 December. It issued a resolution stating that democracy has been strengthened in the Andean bloc countries and emphasizing that the effects of this situation are being felt in the Andean strongholds of dictatorship -- Paraguay and Chile -- and urged the latter to again follow the institutional path.

The Andean Parliament will study the ways and means to establish a new international legal order "capable of analyzing and devising the treatment that must be given to governments not rooted in the sovereign will of the people, discharging anachronistic formalities, "the resolution stated.

The parliament also accepted the invitation of Caetano Andinolfi, deputy sectetary general of the European Council, to attend the second conference on parliamentary democracy scheduled to be held in Strasbourg in the autumn of 1986.

The legislators asked that the draft amendment to the Cartagena Accord recognize the Andean Pact and endow it with true powers making it capable of taking action to defend freedom and democracy in the Andean countries.

SENTENCED JUNTA MEMBERS MOVED TO MILITARY PRISON

PY171900 Buenos Aires TELAM in Spanish 1657 GMT 17 Dec 85

[Text] Buenos Aires, 17 Dec (TELAM) -- This afternoon it was reported at the courts that the former Armed Forces commanders, who have been sentenced to various prison terms by the Federal Court for serious outrages committed in the struggle against subversion, were moved to a military penitentiary in Magdalena, Buenos Aires Province.

Those convicted are Lieutenant Generals Jorge Videla and Roberto Viola, retired, Brigadier General Orlando Agosti, retired; and Admiral Armando Lambruschini, retired. At this own request, Admiral Emilio Massera, retired, was moved a few weeks ago.

All the officers were taken to Unit 22 of the penitentiary located at 1147 Viamonte Street, Buenos Aires. It was stated that the order to move them there was issued last Friday and complied with sometime this morning.

ALFONSIN, ORTEGA HOLD 'FREQUENT' TELEPHONE TALKS

PY171710 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1558 GMT 17 Dec 85

[Excerpt] Buenos Aires, 17 Dec (NA) -- An official source today confirmed that Argentine President Raul Alfonsin spoke on the telephone with his Nicaraguan counterpart Daniel Ortega on 3 November this year about the unstable Central American situation and the efforts of the Contadora Group in the quest for a peaceful solution to the problems of that region.

The source indicated that telephone conversations between Alfonsin and Ortega "are frequent," especially since Argentina became a member of the support group for the Contadora Group together with Brazil, Uruguay, and Peru.

According to a news report, the Nicaraguan president told Alfonsin that the United States must become less inflexible about resuming direct talks with the Nicaraguan Government, because without a U.S. commitment there can be no feasible formula for a solution.

ROVING AMBASSADOR CONCLUDES VISIT TO POLAND

PY171714 Buenos Aires Domestic Service in Spanish 1600 GMT 17 Dec 85

[Text] Argentine Roving Ambassador Hipolito Solari Yrigoyen is concluding a 3-day visit to Poland. During his visit, Solari Yrigoyen held talks with government, political, and church representatives.

SANCTIONED OFFICER DENIES STATEMENTS ON COUP

PY161606 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1935 GMT 15 Dec 85

[Excerpts] Buenos Aires, 15 Dec (NA) -- Rear Admiral Horacio Zariategui, retired, today denied having made the statements attributed to him by a European news agency [Madrid EFE] which reported that he had said, among other things, that "there is not a coup spirit among the military circle, but that such a spirit is a matter of time." Zariategui, who became well-known for having rebelled against the naval authorities after the Malvinas war, this morning told NOTICIAS ARGENTINAS that he will not appeal the 10-day home arrest imposed on him by Presdient Raul Alfonsin for not standing and saluting as the president arrived at a graduation ceremony in the military school last week.

"I will not appeal the sanction, although I have a right to do so. I unintentionally committed a breach of conduct, but this does not excuse me." Zariategui attributed his action to "an emotional state" owing to the graduation of his son Gerardo as midshipman during the joint graduation ceremony of sub-lieutenants, midshipmen, and ensigns.

Buenos Aires' daily newspapers today published that Zariategui had said "I did not salute the president because I do not agree with his Armed Forces policy," as well as that "if the government keeps tightening the reins and does not implement a serious policy regarding the military and national defense fields, it must not complain afterwards if something happens." Zariategui today said that he firmly and categorically denies "everything published between quotation marks in the interview."

According to the interview Zariategui said that "the Air Force and the government agreed to a 4 and 1/2 year sentence for Brigadier Agosti."

Zariategui, who had been chief of the Usuhaia Naval area, today said that "the main concept I wanted to convey during the interview was that there are two basic things in the life of a militaryman: one is his vocation, and the other is the minimum economic security guaranteed by fulfilling that vocation." He stressed that "no one can deny that nowadays, those who join the Armed Forces are doing it only for their vocation."

CARRANZA HEADS FOUNDATION FOR DEMOCRATIC THINKING

PY161435 Buenos Aires TELAM in Spanish 2248 GMT 11 Dec 85

[Excerpt] Buenos Aires, 11 Dec (TELAM) -- The Foundation for the Change within Democracy [Fundacion para el Cambio en Democracia] (Fucade), which will be headed by Defense Minister Roque Carranza, has been created with the objective of revamping the democratic ideas within Argentine society and deepening philosophic discussion. During the inaugural ceremony, Carranza indicated that these objectives are necessary in order to fully guarantee the enforcement of the political, social and economic rights of the inhabitants of our country.

The task of achieving the model of society that we are pursuing, a model in which all individuals will enjoy an equal freedom, must be carried out without any type of impositions or ideological dogmas. Carranza also indicated that an atmosphere of discussion and critical analysis, elements that are necessary so that the academic, scientific and technical ideas can be explored, will be guaranteed within the Fucade.

Several hundred guests were invited to the inaugural ceremony, including officials from the three government branches, political leaders, students, businessmen, and artists.

ARGENTINE PRESIDENTIAL ENVOY OFFERS COOPERATION

PY171130 La Paz Cadena Panamericana in Spanish 0000 GMT 17 Dec 85

[Excerpt] An Argentine presidential envoy has arrived in Bolivia. He is Juan Norberto Bertaina, who yesterday met with Bolivian President Victor Paz Estenssoro. After the meeting, the Argentine presidential envoy agreed to meet with journalists accredited to Government House. He said that the Argentine Government will grant its maximum cooperation to the Bolivian Government during the present economic crisis it is confronting.

Answering journalists about what was discussed during the meeting with President Paz Estenssoro, he said: I expressed to the Bolivian president the solidarity of Argentine President Raul Alfonsin and that of his government in view of the serious crisis that Bolivia is experiencing. He added that the Argentine Government is interested in offering its cooperation. He noted: We are particularly interested in supporting several projects in the production area. All these will be discussed at the bilateral level so as to establish the areas of cooperation.

DEFENSE MINISTER DENIES ILLEGAL GOLD MINING

PY171524 La Paz EL DIARIO in Spanish 13 Dec 85 p 4

[Text] Questioned by journalists, Defense Minister Luis Fernando Valle on 12 December stated that "there is no illegal gold mining in the Araras border area in northern Bolivia." Valle said that Brazilian citizens reportedly are mining gold in that border area, and that the Armed Forces have ordered patrols to move into the area to establish strict controls in order to verify those reports. Valle categorically stated that at this time there is no illegal gold mining and that the Navy is constantly patrolling that large area to guard it and prevent foreigners from entering the territory.

The defense minister stated that the Defense Ministry and other agencies such as Conase [National Security Council], Cofadena [Armed Forces National Development Corporation], and Comibol [Mining Corporation of Bolivia] are drawing up programs for settling people in the area so as to ensure the sovereignty of our country and constantly guard northwestern Bolivia at the Brazilian border.

SENATE APPROVES PROMOTIONS TO BRIGADIER GENERAL

PY171644 La Paz PRESENCIA in Spanish 13 Dec 85 p 1

[Excerpt] The national Senate yesterday approved the promotion of four new brigadier generals -- two in the Army and two in the Air Force -- based on the vacancies created after the questioning of promotions of three military men proposed by the executive branch.

In accordance with Article 96, Clause 20 of the Constitution, President Victor Paz Estenssoro addressed a note to the Senate proposing a list of officers to fill vacancies in the Army and the FAB [Bolivian Air Force].

Colonels Jorge Moreira Rojas and Tito Justiniano Jigena were proposed to be promoted to the rank of brigadier general. FAB Colonels Maximo Garcia Bonilla and Vito Ramcrez Lopez are to be promoted to brigadier general .

PRESIDENT TAKES ACTION ON TAXATION BILLS

PY171652 Sao Paulo Radio Bandeirantes in Portuguese 1450 GMT 17 Dec 85

[Text] President Jose Sarney has just vetoed a bill exempting the pensions of retired people from taxation. The president judged the bill unconstitutional and contrary to the public interest.

On 27 December, President Sarney will approve a bill establishing that Petrobras will have to pay royalties to states and municipalities where it is extracting oil and gas. This measure will benefit the state of Sao Paulo, where Petrobras is tapping gas in the Santos area.

GOVERNMENT RELEASES ECONOMIC REFORM PACKAGE

PY171610 Rio de Janeiro MANCHETE in Portuguese 14 Dec 85 pp 124, 125

[By Allan Caruso]

[Excerpts] In what is called a Program for Change because of the modifications it will introduce in the fiscal and social areas, President Jose Sarney has implemented a number of measures that had been proposed even before the 15 November elections. In announcing the new directions he intends to give the Brazilian economy, the president implemented more than just a fiscal reform package, because all the decrees and projects that have been promulgated have a greater objective, which is to consolidate the Program for Change, which has in fact been implemented by the government of the New Republic since it took office. Henceforth, the state will try to make its operations more rational in order to avoid waste, especially in the cost of operating the government's slow machinery, which has grown too large because of economically and socially unjustified investments.

Principal Measures of the Program in the Economic Area

I. Control of Resources and Public Expenditures

A) Centralized and Decentralized Administration

Ban on hiring personnel until 30 June 1986, thus expanding the scope of Decree 91903 of 5 July 1985, which limited the ban to 31 December 1985;

Modernization and streamlining existing administrative structures;

Ban on construction, purchase, or rental of property outside the Federal District;

Limit on the use of official vehicles;

Limit on extra services -- overtime in the federal public service -- to 2 hours per day, 44 hours per month, and 88 hours per year;

Reduction by 20 percent of the services of third parties for the central administration; and

Creation of the Interministerial Salary and Pensions Council (CIRP) to establish criteria and general directives for the policy of remuneration for active and retired personnel of the Civil Service System of the federal administration.

b) State Enterprises and Foundations

Basically the same measures applied to the centralized and decentralized administration and additionally:

Express authorization from the president for new investments;

Centralization of the budget of the state-run enterprises in the Finance and Budget Secretariat (SOF) of the Planning Secretariat of the Presidency (SEPLAN); and

Audit operations of the productive sector of the state-run enterprises in order to evaluate and classify them.

II. Taxes

a) Income Tax -- Individuals:

As of 1986, the personal income tax will undergo three important modifications: the tax-exempt income level will be raised; the income tax withheld at the source will be greatly reduced; and the refund of excess taxes collected in 1985 will be made in four annual installments paid during the 1986-89 period, which in fact signifies compulsory lending to the government because the refund corresponding to the 1986 fiscal year, the 1985 base year, will be made in ORTNs [National Treasury Readjustable Order] drawing 3 percent annual interest that is to mature in the years indicated below, depending on the amount of the refund:

Those who are to receive up to 10 ORTN's will receive refunds in 4 months at the most;

Those who are to receive between 10 and 25 ORTN's will receive refunds of 10 ORTN's in 1986 and the remainder in 1987;

Those who are to receive from 25 to 50 ORTN's will get their refunds in three installments: 10 ORTN's in 1986; 15 ORTN's in 1987; and the remainder in 1988; and

Those who are to receive more than 50 ORTN's will get 10 ORTN's in 1986; 15 ORTN's in 1987; 25 ORTN's in 1988; and the remainder in 1989.

According to the Constitution, compulsory lending to the state is only permissible in the time of war, public calamity, or the need to remove currency from the market, not allowing it to return to circulation. None of these is the case now because with this compulsory lending, the government only intends to cover the public deficit.

According to Finance Minister Dilson Funaro, the 4-year delayed income tax refund will only affect a small group of taxpayers since 70 percent of the taxpayers, those with the lowest incomes, will receive refunds in 1986. Calculations made by the Finance Ministry indicate that only 3 percent of those entitled to refunds will have to wait until 1988 and 1989.

The system of income tax payment for professionals and property owners who receive rents has also been changed. This is the so-called Leon's [nickname for Internal Revenue Office] Installment Book. The payment will now be made every month instead of every 3 months as before. Another change is that a 20-percent tax on gross profits will be eliminated. Instead, a new progressive table, equal to that existing for salary earners, will be created.

B) Income Tax -- Corporations:

Establish a 6-month period for calculating profits and paying taxes in the case of large enterprises with real or estimated profit equal or greater than 40,000 ORTN's in 1985;

Establish a single fiscal year running from 1 January through 31 December;

Income taxes on profits and capital gains will be collected at the time these profits and gains are realized; their payment cannot be postponed until the profit declaration is filed;

Corporations, like individuals, will receive refunds on the 1986 fiscal year in installments during the 1986-89 period; and

The tax burden will be simplified on small and medium-sized enterprises, encouraging the option for estimated profits, maintaining the schedule of annual declarations, and optionally permitting the exclusive collection of a 25-percent tax at the time business transactions are conducted instead of the obligation to include profits at year's end.

C) Profits and Capital Gains

40 percent unified income tax on interests drawn by securities subject to monetary correction at maturity, regardless of the time span of the investment. Beginning 1 January 1986, the tax will be levied at the time the financial investment is made;

45 percent income tax on capital gains at the time of transfer or sale of securities, obligations, or fixed-interest financial investments. The base for tax assessments will be the difference between the selling and purchasing prices;

New income tax percentages on short-term operations in the open market are being studied. The possibility of replacing the income tax by the nonrefundable Financial Operation Tax (IOF) has been discarded to prevent the loss of revenue by states and municipalities, since IOF is exclusively for the federal government; and

0.5 percent IOF tax on operations in the options market.

Inflation

The government resolved not to wait for the end of the month. It changed the rules for calculating the rate of inflation, beginning in November. It eliminated the General Price Index, IGP, which served as the basis for the evaluation of the monthly inflation rate by the Brazilian Economy Institute of the Getulio Vargas Foundation (FGV). The IGP will be replaced by the Extended National Consumer Price Index -- IPCA -- used by the Brazilian Geographic and Statistic Institute (IBGE) for evaluating inflation. The IPCA was first figured in October 1980 to estimate inflation by collecting data on final family consumption, in a manner that is consistent with the methods of national accounting. With a schedule of evaluation corresponding to families with disposable incomes ranging from 1 to 30 monthly minimum salaries, the IPCA represents the price variation of all the goods and services available for personal consumption.

After making the decision to replace the FGV index with the IBGE index, the government implemented the decision through a joint resolution signed by Finance Minister Dilson Funaro and Planning Minister Joao Sayad, fixing the November monetary correction at 11.12 percent, on the basis of the IPCA, for the readjustment of financial assets as of 1 December 1985. In this way, savings book deposits were readjusted by 11.676 percent, encompassing both monetary correction and interests. The value of the ORTN was set at 70,613.17 cruzeiros. In the wake of this government decision, salaries, monetary corrections, and exchange corrections will be readjusted by the variation of a single index, the IPCA, as of January 1986.

Planning Minister Sayad has no doubt that the IPCA is a better index than the IGP. The process for the collection of price data by the FGV is unknown and its calculation only takes into account the Wholesale Price Index (IPA) and the Civil Construction Cost Index (ICC), while the IPCA encompasses the collection of 250,000 prices and represents the statistically weighted cost of living in 16 cities around the country.

CENTRAL BANK PRESIDENT ON RESCHEDULING OF DEBT

PY161124 Rio de Janeiro O GLOBO in Portuguese 15 Dec 85 p 1

[Text] Fernao Bracher, president of the Brazilian Central Bank, yesterday returned to Sao Paulo from New York where he met with creditors and submitted Brazil's new economic plan to the IMF. Bracher stated upon arriving that "Brazil will reschedule its foreign debt, with or without IMF backing." If the IMF approves the "package" the banks will reschedule the debt over a 5-year period. Without IMF backing Brazil will negotiate a 2-year extension with the banks.

VENEZUELA TO PURCHASE 30 TUCANO AIRCRAFT

PY171255 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Dec 85 p 2

[Excerpt] Sao Jose dos Campos -- The Brazilian Aeronautics Company [Embraer] has won an important international bid and once again defeated its main competitor, the Swiss Pilatus Company, which manufactures the PC-9. The Venezuelan Government, with the approval of its Congress, has officially announced that Embraer will deliver 30 Tucano planes for military pilots' training to the Venezuelan Air Force. Venezuela has also signed 14 other purchase options and a contract for approximately $52.8 million, as the Brazilian planes are being sold for $1.2 million each.

1ST ARMY COMMANDER RETIRES; SUCCESSOR INSTALLED

PY170328 Brasilia Domestic Service in Portuguese 2100 GMT 16 Dec 85

[Text] In a ceremony presided over by Army Minister Leonidas Pires Goncalves, General Rubens Mario Brun Negreiros was installed this morning in the command of the 1st Army, which, as of 1 January, will be called East Military Command, with jurisdiction over the states of Rio de Janeiro, Minas Gerais, and Espirito Santo. He replaces General Heraldo Tavares Alves, who has retired after 47 years of military service.

Regarding a new redistribution of military commands, the new commander denied the possibility of any modification in his area. However, Gen Brun Negreiros admitted that there will be modifications in the Amazon, Mato Grosso, and Sao Paulo commands.

DAILY COMMENTS ON SETUBAL'S VISIT TO USSR

PY142227 Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Dec 85 p 2

[Editorial: "Setubal in the USSR"]

[Text] Foreign Minister Olavo Setubal's recent visit to the Soviet Union fits in very well with the Brazilian diplomatic objective of establishing pragmatic, mature, and egalitarian relations with all countries, based on a "universalist" spirit, as the minister called it. One of the prejudices most deeply rooted in the Brazilian foreign policy was the diplomatic distance it kept from the socialist bloc countries. The tendency to overcome this situation was confirmed by the visit of Chinese Premier Zhao Ziyang to Brazil and reinforced by the pioneering visit of the foreign minister, which broke the historical taboo of Brazilian foreign ministers traveling to that nation.

Soviet-Brazilan relations have been restricted to a minimum for many years, especially due to variations in the Brazilian domestic situation and to the characteristic tensions of a world polarized by a "cold war" between the two superpowers. The great differences between Brazilian and Soviet political, socio-economic, and cultural organization were used domestically to justify the lack of close ties and mutual cooperation. However, Brazil's decision to have a liberal capitalistic regime and its adherence to the values of representative democracy were not an obstacle to its adopting an autonomous foreign policy, whose main purpose is to defend the national interest. This required a meaningful reformulation of Itamaraty's strategy. Pragmatism and independence have marked Brazilian diplomatic action and were emphatically reaffirmed during Minister Setubal's recent trip.

During this visit, the minister stressed many times the Brazilian commitment to the self-determination of the peoples (which, by the way, is not respected by the Soviet Union), to the policy of noninterference, to egalitarian and constructive cooperation among all nations, regardless of their different political regimes, and to the world campaign for disarmament and peace. The immediate results of this visit -- the two foreign ministers signing a memorandum to expedite consultations on relevant international politics, and the extension for 3 more years of a trade agreement -- should not conceal its relative importance. The absence of big businesses and of agreement over important projects, which were not previously foreseen, should not surprise us. It is known that generally visits of this type generate concrete results only after a certain period of time. Consequently, the interest of the two countries in improving bilateral economic relations and in maintaining periodic contacts for the mutual discussion of world themes allows us to foresee a greater exchange at all levels between Brazil and the USSR.

The Brazilian foreign minister and the Soviet authorities who welcomed him showed political willingness in this sense. It does not seem hasty to affirm that the timid stage of the relations between the two countries will be replaced by more fruitful cooperation for the development of the two peoples, disregarding ideological mistrust, which does not contribute to long-lasting peace.

3 OCCUPY VENEZUELAN EMBASSY, BEGIN PROTEST FAST

PY172204 Santiago Radio Chilena in Spanish 1600 GMT 17 Dec 85

[Text] The Foreign Ministry confirmed a few minutes ago that the Venezuelan Embassy has reported that at 1000 on 13 December, three people occupied the embassy building. These individuals identified themselves as relatives of political prisoners and announced they were going to hold a fast to express solidarity with their arrested relatives. According to the Foreign Ministry, these individuals have been identified as Bertha Naranjo Ginemez, Maria Cristina Sandoval, and Elvira del Carmen Morales Fuentes.

INVESTIGATIVE POLICE NOTE POSTINGS, RETIREMENTS

PY172047 Santiago EL MERCURIO in Spanish 10 Dec 85 p C 2

[Quotation marks as published]

[Text] Three inspector prefects of the Investigative Police, including Pedro Espinoza Valdes, the chief of the police zone of the Metropolitan Region, were retired after the General Directorate reviewed the findings of the promotions board. Yesterday, in a communique, the institution's General Directorate announced the postings and retirements of its personnel. Following is the text of the communique:

"After reviewing the findings of the promotions board, the General Directorate has ordered that the institution's High Command be as follows:

Emilio Rousseau Cancino, deputy administrative director; Carlos Meyer Busquets, deputy operations director; Inspector Prefect Nelson Valdes Cornejo, chief of the First Northern Police Zone; Inspector Prefect Minor Otsu Vinencio, chief of the Second Center-North Police Zone; Prefect Francisco Manas Arancibia, chief of the Third Metropolitan Region Police Zone; Inspector Prefect Oscar Henriquez Cornejo, chief of the Fourth Central Police Zone; Prefect Ramon Silva Diaz, chief of the Fifth Center-South Police Zone; Hector Riquelme Delgado, chief of the Sixth Southern Police Zone; and Prefect Bernardino Pinilla Garcia, chief of the Seventh Southern Police Zone.

Inspector Prefect Raul Chenevier Laffont, chief of instruction; Inspector Prefect Luis Roman Fuentes, chief of police support; Inspector Prefect Sergio Chicago Daurte, chief of Logistics and Administration; Inspector Prefect Allard Catalan Catalan, chief of Coordination and Inspector Generalship; Prefect Mario Rojas Chavez, chief of the Foreigners Department and International Police; Prefect (P.F.) [Womens Police] Violeta Salas Wenzel, chief of the Welfare Department; and Sub Prefect Williams Sasso Munoz, chief of the Public Relations Department. Prefects Juan Inostroza Jara (former chief of the Public Relations Department) and Juan Jamed Vera have been posted to the National Academy of Political and Strategic Studies.

Finally, the communique states that "after a long and brilliant police career the following officers have asked for retirement: Inspector Prefect Pedro Espinoza Valdes, chief of the Metropolitan Region Police Zone; Inspector Prefect Manuel Tejos Fuentes, chief of the Sixth Southern Police Zone; Inspector Prefect Humberto Neira Hernandez, chief of the Fifth Center-South Police Zone."

The new postings will take place in the very near future.

4 ALLEGED COMMUNISTS ARRESTED, IDENTIFIED

PY170045 Santiago Domestic Service in Spanish 1630 GMT 16 Dec 85

[Text] Officials of the National Intelligence Center [CNI] have placed four members of the outlawed communist party at the disposal of the Concepcion 2d Military Court.

[Relay from Concepcion]

The intendant's office of the 8th Region informs the people of the following:

On 16 December 1985, CNI personnel placed four members of the outlawed communist party at the disposal of the Concepcion 2d Military Court. The four people in question, who are members of a communist party body having a paramilitary structure, were involved in crimes violating the state security law and the arms and explosives control law. The people in question were arrested on 13 December 1985 and their backgrounds are as follows:

Ana Luisa Sandoval (?Sid), alias Marcela or Nancy. She was in charge of the Concepcion branch of the outlawed communist party. She was in charge of paying the salaries of professional militants of the communist party. She was also chief of the logistical apparatus of the local communist party branch.

Enrique [Montimer] Cabrera Vega, alias Leo, chief of logistics of the outlawed communist party in Peru [as heard]. His residence was established at 2278 Tucapel Street [passage indistinct]. Moreover, he was responsible for placing a bomb at the base of a lamp post located in front of the Bella Vista industries in (?Peru). This occurred on 11 July 1965 [as heard]. He was also involved in the burning of a bus on the Concepcion-Tome route. This incident occurred on 30 July 1985.

Manuel Eduardo (?Sea) Henriquez, alias Roco, member of the outlawed communist party. (?Sea) Henriquez' house, located at 50 Pratt Street in Talcahuano, was used to store explosives used in attacks against private and state-owned property in the 8th Region. At the time of his arrest, he was temporary logistics chief in Concepcion, and he had established contact with Vladimir Alexis Henriquez Munoz, regional chief of the self-styled Manuel Rodriquez Patriotic Front [FPMR], who was recently arrested in Talca.

(Yola) del Carmen Concha Rojas, alias Monica. She was entrusted with the subversive propaganda of the outlawed communist party in Concepcion. This woman acted as a go-between in the local regional committees by distributing documentation, propaganda and subversive instructions. This material was hidden in her residence at 33 General Bonilla Street South, in the Santa (?Sadina) shantytown, in Concepcion. This house was also used to hide explosives.

The intendant's office is grateful for the cooperation offered by local citizens to the security services, which led to the arrest of the subversive cell. [end relay]

FORMER MINISTER JARPA CREATES NEW LABOR FRONT

PY162120 Santiago Radio Chilena in Spanish 1600 GMT 16 Dec 85

[Text] Sergio Onofre Jarpa, the former interior minister of the military regime, has commented on the objectives of the newly created National Labor Front [Frente Nacional del Trabajo].

Jarpa said that the objectives of the new organization will be disclosed throughout all national regions. A few days ago Sergio Onofre Jarpa also attended a meeting in Rancagua to launch the new political party United Nationals [Nacionales Unidos]. Jarpa indicated that the National Labor Front will not adhere to any political group. He said that the Front's objectives are to defend the 1980 Constitution and to prevent the country from falling under Marxism again. He also referred to the defense of democracy, freedom, and participation.

Regarding economic matters, Jarpa said new economic measures should be implemented to solve the problems of unemployment and foreign debt; to do that, the military regime's economic policies should be changed. Jarpa reiterated that the National Labor Front does not support any party ideology and that its objectives will be explained in the various regions in order to encourage support for its activities.

SHIPS LEAVE FOR ANTARCTICA TO REPLENISH BASES

PY161458 Santiago LA TERCERA DE LA HORA in Spanish 6 Dec 85 p 20

[Text] Punta Arenas -- This season, the Navy's Antarctic task force will carry out four missions to replenish the Chilean bases in the Antarctic. The fleet is under the command of Captain Jorge Vergara, and is made up of the ships Piloto Pardo and Yelcho. The 40th Antarctic mission began last night when the Pardo weighed anchor. The cutter Yelcho will depart today.

Commander Vergara has said that in order to accomplish the mission nearly 1,500 tons of cargo will have to be transported nearly 5,000 nautical miles to the polar Antarctic Circle. "We will transport all the materials and equipment required for the repair, maintenance, and operation of the Chilean bases in the Antarctic," Commander Vergara explained. He added that construction, repair, and maritime signal materials aimed at improving buoy markings in the navigable sectors are being transported.

Nevertheless, the high-ranking officer stressed that "our basic and primary mission as a task force is to reassert the Chilean naval presence in the Antarctic territory which to a large extent helps to strengthen our sovereign rights in Antarctica. [no end quotation mark as received]

EDITORIAL VIEWS UN VOTE ON ANTARCTIC TREATY

PY161407 Santiago EL MERCURIO in Spanish 9 Dec 85 p A 2

[Editorial]

[Text] A proposal to review the terms of the Antarctic Treaty has been approved by 80 votes in the UN General Assembly. This must certainly have shocked our country, which has always respected the unalterable nature of treaties [principio de intangibilidad]. The approval of this sort of motion does not speak well of the prestige of the United Nations since it goes against its own basic principles by interfering in what is established by universally recognized treaties.

It is true that no official petition has been made to internationalize the Antarctic continent or that an ad hoc commission has been formed to study the future of the continent. However, a motion to review the Antarctic Treaty has been approved. Unfortunately, these types of motions spring up periodically and are registered by an official in charge of recording all the recommendations made in this area. The referent motion attacks not only the Antarctic Treaty but also countries like ours which clearly have sovereign rights over a part of the white continent.

What interest could Malaysia have in this southern part of the world? It can be explained in one word: greed. This term defines the motivation of those countries voting in favor of the motion presented by Malaysia. They dream of possessing, without making any particular effort, some of the living and non-living resources of the Antarctic continent which they believe to be fabulous in both quantity and diversity.

These countries must be reminded that, in the first place, most of the white continent is already owned, a fact they seem to ignore. It must also be recalled that the Antarctic Treaty has frozen the sovereignty claims of the member countries, among which Chile can be found. In the second place, they must understand that, besides all the sovereignty claims made by some countries, there is an Antarctic Treaty open to all countries showing a positive interest in Antarctic matters. However, it seems that Malaysia and the other countries voting in favor of reviewing the treaty wish to become members without making the necessary efforts to warrant their inclusion. This is a tactless move, to say the least.

It is expected that this motion approved by the UN General Assembly fall into oblivion, as it should.

Foreign Ministry Critical

PY172211 Santiago Radio Chilena in Spanish 1600 GMT 17 Dec 85

[Relay from the Foreign Ministry by Jose Francisco Contreras]

[Text] Foreign Ministry official Fernando Gamboa has reported that the motion approved yesterday at the United Nations regarding the Antarctic Treaty is an interference in matters pertinent to the member countries of the treaty and of the Antarctic system. He added that this constitutes a threat to the status quo, which is characterized by the denuclearization and demilitarization of the area despite the fact that countries as different as the United States and the Soviet Union are members of the system.

Fernando Gamboa noted that yesterday the United Nations urged members of the Antarctic Treaty to inform the international organization about its activities and negotiations. He said that this may pose a threat to security and peace in the Antarctic.

BRIEFS

NEW UNDER SECRETARY -- Lieutenant Colonel Sergio Moreno Sarabia has been named by the president as war under secretary, replacing Brigadier General Renato Fuenzalida Maechel, who has taken over as commander of the Logistic Command of the Army (CALE). Moreno is currently military aide to his excellency. It has been learned that they will be installed on 18 December in a ceremony to be held at the Defense Ministry. [Text] [Santiago El MERCURIO in Spanish 9 Dec 85 p C 7 PY]

ENVOY TO DOMINICAN REPUBLIC -- Fernando Gamboa, the director of the special affairs department of the Foreign Ministry, will take over as Chilean ambassador to the Dominican Republic. The government of this country has already agreed to the appointment of Gamboa, who will replace Gaston Illanes. [Summary] [Santiago Domestice Service in Spanish 2200 GMT 17 Dec 85 PY]

GOVERNMENT SEEKING SUPPORT FOR BAKER PLAN

PA172340 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 17 Dec 85

[Text] Bogota -- The Colombian Government has asked Latin America to support the Baker Plan in order to establish a constructive dialogue with the United States regarding the foreign debt problem. However, in a message to the international financial community, Finance Minister Hugo Palacios Mejia pointed out the importance of the United States' support for the International Coffee Agreement for the long-term economic and political stabilization of the Central and South American nations.

The Colombian official said that Colombia, together with other Latin American countries, will continue to seek long-term solutions to the foreign debt problem. Minister Palacios Mejia said that U.S. Treasury Secretary James Baker's plan to facilitate new credits to nations with large debts should be supported as a way to establish a constructive dialogue among American nations. The success of this plan, however, will require the strengthening of Latin America's payment capacity, which in turn will demand stable prices and open markets for our products, Palacios Mejia added. The message was read by Colombian Ambassador to Washington Rodrigo Lloreda.

U.S. ENGINEER FREED; RANSOM DEMANDED FOR 2 OTHERS

PA171817 Bogota EL TIEMPO in Spanish 13 Dec 85 p 8-D

[Text] Cucuta, 12 Dec (Editor's office) -- Approximately 100 guerrillas of the People's Liberation Army [EPL] have attacked an oil camp located northeast of Cucuta and kidnapped three U.S. engineers and one Colombian in order to obtain a huge ransom.

Official sources said on Tuesday the heavily armed guerrillas attacked the camp belonging to the Colombian construction company Technit-Pinski near Tibu Municipality, in the Oru oil zone, close to the border with Venezuela. They kidnapped U.S. engineers Edward Sholl, Jack Gilles, and John Gettis, who worked for the U.S. companies Occidental Petroleum and Bechtel.

It was reported unofficially that these engineers were hired by Bechtel, which is Occidental Petroleum's subsidiary in charge of building oil ducts.

Also kidnapped during the attack on the camp was Colombian engineer Jose Manuel Sanchez, who was later released with Gettis. The guerrillas gave them two notes demanding ransom from the foreign companies. In addition, the guerrillas stole a million pesos ($6,200), 15 radios, medicine, foodstuffs and other articles found at the camp. Before withdrawing at dusk, the guerrillas damaged a helicopter chartered by the oil company. The helicopter's radio equipment was destroyed.

3D BRIGADE COMMANDER SAYS CUBA TRAINING REBELS

PA171924 Madrid EFE in Spanish 1742 GMT 17 Dec 85

[Text] Popayan, 17 Dec (EFE) -- General Fernando Gomez Barros, commander of the Colombian Army 3d Brigade, headquartered in southwestern Colombia, today accused the Cuban Government of training national insurgent groups in "guerrilla warfare."

Gomez Barros, who this year directed military plans against several groups operating jointly in Cauca and Valle de Cauca Departments, 400 km southwest of Bogota, concurred in U.S. accusations regarding aid to the 19 April Movement (M-19).

"The guerrillas not only receive aid from Cuba, they are involved in drug trafficking and are militarily and politically trained by Fidel Castro's regime," the militaryman said in Popayan, capital of Cauca, during a visit to recently found graves of more than 30 rebels. General Barros said that the ties between the guerrillas and the Mafia "were proven" after the Army dismantled a cocaine laboratory where tactical war materiel was found.

The commander of the 3d Brigade recalled that during several raids on guerrilla headquarters the Armed forces confiscated "guerrilla warfare" training manuals and books for training children in the Cuban and Nicaraguan style. Fifteen days ago U.S. Secretary of State George Shultz accused the Nicaraguan Government of providing logistical support to the M-19, although Colombian Foreign Minister Augusto Ramirez Ocampo said 2 days ago in Montevideo that his government has not confirmed there accusations.

"The guerrillas are not what they were 6 months ago. They have been broken up by the continuous blows dealt them," Gen Gomez Barros concluded.

FARC SHORTENS CEASE-FIRE EXTENSION REQUEST

PA172334 Bogota Television Service in Spanish 1730 GMT 17 Dec 85

[Text] The FARC [Revolutionary Armed Forces of Colombia] has informed the Peace Commission that its request for a 1-year extension of the cease-fire has been reduced to 9 months. This is to give the president of the Republic a chance to decide how he wants to continue the peace process. Therefore, the cease-fire will extend through September and not November, as had been initially discussed. The Peace Commission is studying the case.

Meanwhile, in last night's meeting of the Peace Commission there were reports of death threats to several leaders of the Communist Party of Colombia, particularly Alberto Rojas Puyo, who is also a Peace Commission member. During debate on the Palace of Justice takeover, the defense minister said that if the Communist leaders want bodyguards, all they have to do is ask.

OAS' BAENA SOARES SAYS BAKER PLAN 'INSUFFICIENT'

PY142322 Madrid EFE in Spanish 1624 GMT 14 Dec 85

[Text] Asuncion, 14 Dec (EFE) -- OAS Secretary General Joao Baena Soares said today that the Baker Plan for the debtor countries is "insufficient". During a press conference at the end of an official 4-day visit to Paraguay, he said: "I believe the Baker Plan is undoubtedly a step forward although it is still insufficient."

Paraguay is the 15th OAS country that Baena Soares has visited since he took office in 1984. It is the first of the 31 OAS members he has visited after the recent special assembly in Cartagena de Indias (Colombia), which strengthened his powers and revitalized (?what he has referred to as) the weakened hemispheric organization.

Baena Soares advocated political treatment of the Latin American debt, which surpasses $360 billion, and pointed out that the OAS is "the proper forum" for debating the issue, "because the region's debtors and their great creditor, the United States, are all OAS members."

"The debt is not an accounting problem, it is a political problem. We are gradually confirming what the Latin American countries have said, namely, that the debt problem can be solved only by promoting development and never through recession and poverty," he said.

He added that the meeting of the 11 Latin American debtors of the so-called Consensus of Cartagena, which will begin in Montevideo on 16 December, will be "very important" in obtaining a political treatment for the debt.

Baena Soares said there are indications that the United States will agree to the political consideration of the debt, because it has proposed the Baker Plan, under which some $30 billion in U.S. credits has been offered for reactivating the Latin American economy. He remarked that another indication of the U.S. position is the speech George Shultz delivered at the Cartagena meeting.

On evaluating the OAS meeting in Cartagena, Baena Soares said the most outstanding results were that the secretary general has been given political elbow room, that the permanent council's powers have been modified to allow the council to take action in case of regional controversies, and that an agreement has been reached on the concept of integrated development in the OAS socioeconomic cooperation efforts.

"There has been a major conceptual step forward, which will undoubtedly have operational consequences." he said.

Concerning the permanent Central American crises, Baena Soares advocated the continuation of the peace efforts by the Contadora Group (Colombia, Mexico, Panama, and Venezuela), despite the fact that is has been considered inactive for 5 months, until the OAS takes control of the negotiations. He said it would be "premature" to say how the OAS can help pacify Central America and solve the nearly 10 pending territorial disputes in the continent.

Baena Soares said his visit to Paraguay was "positive." He met President Alfredo Stroessner, four ministers, and the presidents of the Senate, the Chamber of Deputies, and the Supreme Court. He also visited several cooperation projects under implementation in the Chaco.

JUDGES TAKE STEP TO ARREST BANK PRESIDENT

PY170021 Asuncion ULTIMA HORA in Spanish 16 Dec 85 pp 43, 43

[Excerpts] Criminal judges Mario Soto Estigarribia and Edgar Ruben Stanley this morning requested that Central Bank President Cesar Romeo Acosta be stripped of his congressional immunity. In their request, the judges state that sufficient evidence has been produced in the Ita Ybate and Impaex cases to warrant Acosta's imprisonment for involvement in foreign currency fraud. The judges have also ordered that Acosta's assets be impounded up to the equivalent of 9 billion guaranies.

In a note to the Council of State, the two judges outlined the reasons for their request and attached the evidence substantiating it. The Council of State will now have to convene to study the judges' request.

The request to the Council of State means that the judges intend to order Acosta's imprisonment, which can only occur after the Council of State strips Acosta of his immunity by a two-thirds vote of its members.

According to our Constitution, the Council of State is made up of the cabinet ministers, the archbishop of Asuncion, the rector of the National University of Asuncion, the president of the Central Bank (who is now facing a pre-trial inquest), three members of the Armed Forces, two members of the agricultural sector, a member of the industrial sector, a business representative, and a labor representative.

The Council of State convenes at the start of the congressional recess, that is on 20 December, but a special session of the council may be called at any time. The chairman of the Council of State, a consultative body, is Interior Minister Sabino Augusto Montanaro. All Council of State members enjoy the same immunity granted to members of Congress. This is precisely the reason the judges lodged the request with the Council of State.

REPORT ON UNREST IN ARMED FORCES REFUTED

PY171300 Buenos Aires TELAM in Spanish 0240 GMT 17 Dec 85

[Text] Asuncion, 16 Dec (TELAM-ANSA) -- According to a report published in the London publication THE LATIN AMERICAN REVIEW and refuted in Asuncion, sundry charges of corruption and disputes over promotions are worrying the Paraguayan Armed Forces High Command. According to the British publication, only General Andres Rodriguez will remain among the corps commanders, benefiting from the retirement of at least 6 generals and approximately 100 other high-ranking officers. However, the worst aspect seems to be the opposition of the High Command to the antismuggling and antidrug trafficking campaign that President Alfredo Stroessner himself seems to be promoting.

WAR MINISTER SAYS SHINING PATH ACTIONS DECLINING

PY171600 Paris AFP in Spanish 0141 GMT 17 Dec 85

[Text] Lima, 16 Dec (AFP) -- Peruvian War Minister General Jorge Flores Torres stated here today that Shining Path activities in Ayacucho Department have dropped off markedly. However, in response to journalists' questions, Gen Flores said that it is highly unlikely that the state of emergency will be discontinued in the southeastern Andean provinces currently under military control to fight subversion.

Gen Flores explained that it is well known that sometimes the terrorists cut back on their activities, but once thay receive more supplies and recruit new people to replace the casualties inflicted by government forces, they step up their actions.

SHINING PATH GUERRILLAS, MRTA LEADER ARRESTED

PY172055 Paris AFP in Spanish 1656 GMT 17 Dec 85

[Text] Lima, 17 Dec (AFP) -- The police today reported that seven guerrillas from the Shining Path organization and a high-ranking leader of the Tupac Amaru Revolutionary Movement (MRTA) were captured in Lima within the last few hours.

According to the police report, the Shining Path cell was operating in the populated Comas and Independencia districts in northern Lima. The guerrillas were captured yesterday, Monday, by the antiterrorist police after a violent shoot-out. It was reported that the guerrillas, led by an attorney-at-law, possessed drawings of state buildings and factories which they planned to bomb during the Christmas season. The attorney was identified as Teodoro Gilberto Conde.The authorities have reported that the captured MRTA leader is Wilder Rojas Sanchez, a handicapped person. Rojas Sanchez is confined to a wheel chair and despite his harmless appearance is a bomb expert and participated in a number of attacks in the past. A few months ago, Rojas Sanchez was expelled from the National Engineering University for recruiting students for his guerrilla organization.

The MRTA leader was captured last night near the Economy and Finance Ministry building. Police said that Rojas Sanchez is a member of the MRTA leadership and one of the top assistants of MRTA top leader Nestor Serpa Cartolini.

BRIEFS

ANTIDRUG SUCCESS -- Lima, 10 Dec (EFE) -- It was reported today in Lima that the Peruvian police have seized 3,500 kg of cocaine base, captured four presumed drug traffickers, and destroyed a clandestine airport in Uchiza, in San Martin Department. Civil Guard sources have also reported that a laboratory for the preparation of drugs was dismantled. In this police action, carried out within the framework of the "Condor III Operation," the police also found two dryers with 5,000 kg of coca leaves, which were incinerated. Equipment for the preparation of drugs and long-range communications were also found. This is the third action within the "Condor III Operation." [Summary] [Madrid EFE in Spanish 0455 GMT 11 Dec 85 PY]

FRENCH SCIENTIFIC COOPERATION MEETING BEGINS

FL180154 Mexico City NOTIMEX in Spanish 0344 GMT 17 Dec 85

[Text] Paris, 16 Dec (NOTIMEX) -- Mexican Commerce Secretary Hector Hernandez Cervantes began work here today prior to a joint Mexican-French scientific, technical, and trade cooperation meeting that would substantially increase relations between the two countries. Meetings began today to refine all the aspects that, beginning tomorrow, will be discussed when the meetings formally begin between the Mexican commerce secretary and French Foreign Trade Minister Edith Cresson.

The two delegations have prepared in advance the agreements and support for projects already signed in financial, scientific, and technological trade. The central document is divided into six parts: scientific, health, biotechnology, and industrial cooperation [sentence as received]. The first works reviewed French investments in Mexico, some of which have been suspended, that exceed approximately 50 billion pesos.

Financial aspects were also reviewed, as well as a protocol of 250 billion francs to be used for reconstruction of the communications system that was damaged by the September earthquakes. The meeting of the joint Mexican-French scientific-technical and trade cooperation commission will end Thursday with the signing of new agreements and reiteration of support for existing agreements.

WORKERS DEMANDING 60-PERCENT WAGE INCREASE

FL180156 Mexico City NOTIMEX in Spanish 1435 GMT 17 Dec 85

[Excerpt] Mexico City, 17 Dec (NOTIMEX) -- The leaders of the 34 member organizations of the Labor Congress (CT) have demanded a minimum salary increase of 60 percent, a reduction of salary zones from four to three, and elimination of checks on contractual revisions.

The demands will be presented today to the National Commission on Minimum Wages (CNSM) after its extraordinary meeting. CT President Angel Olivo Solis said the percentage of the increase is negotiable, and the workers organization will be responsible for negotiations.

FORMER PSUM MEMBERS FORM NEW POLITICAL PARTY

PA172242 Mexico City XEW Television Service in Spanish 1300 GMT 16 Dec 85

[Text] A new political party has appeared on the scene in Mexico. It is called the Socialist Revolution Party [Partido de la Revolucion Socialista] and is supposedly made up of more than 40,000 former members of the PSUM, the Unified Socialist Party of Mexico. Of course, these are figures supplied by the new party. The executive committee will be elected today before the founding congress of the Socialist Revolution Party ends. According to reports, this party will fight for radical changes in favor of Mexican workers.

Alejandro Gazcon Mercado, chairman of the founding congress of the Socialist Revolution Party, said that this is an additional effort by the left in its search for unity and organization.

LEGISLATOR URGES PREVENTION OF OIL PRICE WARS

FL170350 Mexico City NOTIMEX in Spanish 2235 GMT 16 Dec 85

[Text] Mexico City, 16 Dec (NOTIMEX) -- Mexican Legislator Miguel Angel Barberena Vega said Mexico does not participate in the speculative international crude oil markets that have a destabilizing effect on the balance of prices. The president of the Chamber of Deputies Energy Commission said that in a price war Mexico would lose $350 million annually for every $1 decrease in price per barrel.

Barberena Vega said that reason, logic, and collective interests will override irrationality and speculation in the international oil market. Mexico's objective, he said, is to maintain ties with OPEC members and nonmembers to preserve the control exerted by oil exporting countries over the regime of administrative costs, as well as the stabilization of the international hydrocarbon market.

Barberena Vega said unstable prices could contribute to a premature economic substitute for oil and gas with other sources of energy. He stressed that Mexico has maintained a clear policy on export prices and respect for the contractual nature of its sales operations.

OFFICIAL SAYS PEMEX TO LOSE $1 BILLION INCOME

FL142140 Mexico City NOTIMEX in Spanish 0330 GMT 14 Dec 85

[Text] Saltillo, Mexico, 13 Dec (NOTIMEX) -- Governor Jose de las Fuentes Rodriguez said that when preferential prices for clear oil (petroleo diafano) become effective in 3 months in the northern states of Mexico, Pemex will lose $1 billion in income. He said this represents a 33-percent reduction in resources that the parastate company would receive in that area. A litre of combustible fuel is officially priced at 45.3 pesos and is being sold at 31.70 pesos.

The governor said this measure favors the economy of the region's families which use large quantities of oil for heating in the winter. The preferential price, he added, should be extended to industries.

BRIEFS

COCAINE SEIZED -- La Paz, Baja California, 9 December -- Federal Judicial Police have accidentally discovered and confiscated 600 kg of pure cocaine, with a black market value of more than 3 billion pesos. It was reported unofficially that the drug came from Colombia on board a U.S.-licensed small plane that suffered a mishap some 50 km south of this capital. According to the report, the small plane, with two North Americans on board, intended to land on the Hotel Punta Arenas landing strip in the Los Planes village. This same source stated that the small plane ran out of fuel and crashed. One of the North Americans was seriously injured. [Excerpts] [Mexico City EL NACIONAL in Spanish 10 Dec 85 p 6 PA]

ESQUIVEL, NORIEGA ON BUDGET ISSUES, FDP STATUS

PA171640 Panama City LA PRENSA in Spanish 17 Dec 85 p 1

[By Lisette Carrasco]

[Text] In exclusive statements to LA PRENSA, First Vice President Roderick Esquivel has noted that the Liberal Party, of which he is currently president, does not have enough "political space" in the government and that the progovernment Democratic Revolutionary Party (PRD) "already has enough political space." Esquivel reported that the administration of President Eric Arturo Delvalle, who is a member of the Republican Party, will make a number of changes in the cabinet in early 1986.

Esquivel made these statements when asked if the national government would yield to pressures from the PRD for more political space.

He admitted that he did not know about "the increase" in the budget of the Defense Forces of Panama [FDP] but said that the budgets of the other government institutions "are being adjusted, including that of the FDP."

Regarding the increase in the budget of the military institution, Esquivel said: "If an increase in the FDP's budget is obtained in order to improve the services of the Panama police section and other services to the community, I will support it."

When asked why, based on this thinking, the national government has not increased and has, on the contrary, reduced the budget of the health, education, and other sectors, he repeated: "All government budgets are being adjusted."

He noted that he is not "thoroughly" familiar with the nation's budget, arguing that "this has not been my mission; I am specifically detached from it," referring to his functions as the vice president of the republic.

Regarding Delvalle's "possible" resignation from the Presidency for health reasons, Esquivel said: "This is absolutely false. I have never heard this subject mentioned; it has never been discussed," noting that President Delvalle "is in excellent health."

In answer to a repeated question on whether changes will be made in the cabinet of President Delvalle's administration, Esquivel remarked that "any changes due to adjustments that may occur will not be substantial." However, he noted that "President Delvalle will indeed make some changes."

When asked for his opinion about the criticism by certain sectors of our society of the increase FDP budget, he replied: "I do not intend to grant interviews."

Meanwhile, referring metaphorically to probable promotions, changes, and retirements in the FDP, General Manuel Antonio Noriega noted that "there is merely a change in climate...in the heat...of atmosphere."

Dressed in a white shirt and dark trousers, Gen Noriega referred to the criticism by various sectors of the Panamanian community with regard to "the increase" in the FDP budget and said: "I am celebrating 16 December today and not discussing the budget. The budget was discussed the day before yesterday."

Noriega said that to the men in uniform, 16 December, the so-called "Loyalty Day," has the "same sense of work, of comradeship, that has united us until now."

When asked again about the status of the FDP within the Delvalle administration, he declined to answer and gestured with his hand as if he were zipping up his mouth.

Despite all attempts by newsmen, Gen Noriega refused to comment and said to a woman participating in "Loyalty Day" ceremonies: "Save me...save me from these newsmen." Unhesitatingly, she shouted a number of insults at the local and foreign newsmen covering the events of 16 December, "Loyalty Day."

Despite this unpleasant situation, Gen Noriega was asked again for his opinion of the country's current situation. He said: "There is no freedom of the press here," adding: "This was just a joke to see how you would react."

It should be noted that in contrast with parties at the country's various institutions, the commemoration of 16 December by the FDP was characterized by an abundance of drinks, food, and music.

BROTHER SAYS CIA ASSASSINATED OMAR TORRIJOS

PA171856 Panama City LA PRENSA in Spanish 17 Dec 85 p 1

[By Flor Quintero]

[Text] Dr Moises Torrijos has told LA PRENSA: My brother, General Omar Torrijos Herrera, was assassinated by the CIA in complicity with Panamanians. He claims to have a large amount of incriminating evidence and, most importantly, even the names of the perpetrators of this assassination. Once all the evidence is gathered, we will immediately present it to the Attorney General's Office to file the corresponding suit to reopen the case, he said.

During an interview granted to LA PRENSA yesterday, the journalist and writer said that the entire Torrijos Herrera family believes that the general was assassinated, but "we have not been able to pursue this to a conclusion, because in order to carry out an investigation the colossus to the north must participate. You must realize how difficult it is to carry out such an investigation when they are in the way...the CIA and those people one cannot really fool around with."

Questioned about the names of the planners and perpetrators of the assassination of Gen Omar Torrijos, Monchi Torrijos replied with a question: "Why should I reveal names, especially those of people in Panama? We are still gathering new evidence to corroborate their participation; without it, we would be unable to reveal those names."

In this regard, the writer added: "It would be foolish for me to reveal those names to the public, because it would spoil the investigation." In addition, the brother of the late strongman of Panama showed his indignation because a report presented to a plenum of the Legislative Assembly by his brother Hugo is being distorted by a misinformation and destabilization campaign. He said: "That is why I am quite hesitant to speak about this issue again. After Hugo presented his report a dishonest sector of the opposition, without having any moral authority to speak out, has openly distorted and manipulated his statement."

Commenting further on Torrijos' assassination, he said: "The Public Prosecutor's Office carried out an investigation; there are 1,500 pages containing information that strongly indicates he was assassinated. However, given that a private charge was not filed, the case is now in the hands of the District Attorney's Office in Penonome. In sum, this case could not continue because an investigation requires the participation of the CIA."

Moises Torrijos deplored the fact that several opposition newspapers have had a field day with the assassination of Gen Torrijos and especially with Hugo's statement before the Assembly. "Some members of the dishonest opposition are plutocrats nostalgic for power; they are not seeking solutions for the country but causing opposition for the sake of it. I would ask those people: Why are you interested in this now, when you have never been Torrijists or if you have never marched on Torrijos' side? Why are you showing so much interest in clarifying this?"

He added: "We have not been able to carry this through to a conclusion because we have not yet gathered all of the necessary information."

Finally, Moises Torrijos told LA PRENSA that "since the death of Gen Torrijos, the entire Torrijos family has never been so united with General Noriega, his General Staff, and each and every one of the members of the Defense Forces as it is now."

Meanwhile, Attorney General Manuel Jose Calvo has told LA PRENSA that the Public Prosecutor's Office is unable to carry out an official investigation into the death of Gen Omar Torrijos until his family presents the evidence it has. He added that if the Torrijos family wishes to cover up and not reveal the perpetrators of the assassination, there is not much he can do about that.

Calvo said emphatically: "It is an indispensable requirement that new evidence be presented to the court before it can order the reopening of the investigation and turn over the file to the examining official to allow him to analyze the new evidence."

Asked whether his office would be able to carry out an official investigation in its own initiative in view of the evidence the Torrijos family claims to have on the general's assassination, the attorney general said: "We cannot do that on our own initiative, because the file is not even in our hands. It is not on file in the Public Prosecutor's Office, but in a court. There must be an initiative at the court and in turn a resolution from that court ordering the Public Prosecutor's Office to analyze the new evidence presented."

Manuel Jose Calvo noted emphatically that his office cannot carry out an official investigation of this case, simply because an investigation was already carried out, and the case is now outside his jurisdiction.

COSTA RICA

GUTIERREZ VIEWS FIRE AT WASHINGTON EMBASSY

PA171618 San Jose Radio Impacto in Spanish 1830 GMT 16 Dec 85

[Text] None of the documents at the Costa Rican Embassy in Washington were damaged following a fire in the building yesterday. Foreign Minister Gutierrez told this station that the greatest damage was suffered on the first floor where the reception office is located. No damage was done to the upper floor where the files are located, said Gutierrez. In addition, he noted that there are communications problems because the telephone lines were affected.

The problem of a place for the ambassador to live while the embassy is rebuilt is being studied. Gutierrez added that since there were no structural damages to the building, the embassy will be rebuilt. A request must be sent to the General Comptroller's Office to obtain the funds needed to repair the damages caused by the fire.

According to the foreign minister, there was not a criminal motive behind the fire and that it could have happened for other reasons. It was reported that the Costa Rican mission in Washington had held a Christmas party at the embassy on Saturday.

EL SALVADOR

COPREFA SPOKESMAN DENIES FMLN CASUALTY REPORTS

PA180249 San Salvador Radio Cadena Sonora in Spanish 1800 GMT 17 Dec 85

[Interview with Colonel Carlos Aviles, director of the Armed Forces Press Committee, Coprefa, by Nelson Lopez; no date or place given -- live or recorded]

[Text] [Lopez] Colonel, referring to the rumors about an attack which was reportedly carried out on the bridge over the Azambio River in Chalatenango, the Leftist forces claimed they had inflicted at least 20 casualties on the Army. What can you report about this?

[Aviles] First of all, greetings to Sonora for the opportunity to address all the Salvadoran people and report on the Salvadoran Armed Forces' activities. Regarding the question, I can assert that it is completely false. In fact, what really happened yesterday was a harassment action against the soldiers guarding the Azambio Bridge, located between El Paraiso and the city of Chalatenango. The Armed Forces sustained no dead or wounded; quite the contrary, we were able to seize some 60 mm mortar rounds and some backpacks with ammunition and documents from the guerrilla group which came to harass our forces. We are really surprised about the information being broadcast by the clandestine radio stations, particularly Radio Havana Cuba [as heard], which mention that the Armed Forces have sustained 20 dead and I do not know how many wounded. This is a propagandistic maneuver because the guerrilla forces are trying to win on paper what they cannot win at the battlefield; they have created the idea that they are carrying out sabotage and terrorism actions against the people. In this regard, the Armed Forces are carrying out all kinds of operations at the national level to guarantee the people's lives in all the zones. Consequently, it is completely false that the Armed Forces have sustained the casualties mentioned by the clandestine radio stations.

[Lopez] Colonel, does this mean that the Army detachment posted in that sector was able to repel the harassment by the guerrilla members?

[Aviles] Yes. You must understand that when we talk about harassment we are not talking about an attack. We must establish the difference between an attack and a harassment action. Attack means a direct clash with a group of soldiers, while harassment is what we call... [changes thought] the word itself explains everything, it means an attempt to disturb the Army's positions. There is no risk involved because they do not expose themselves to any danger. Thus, in this case it was a harassment action which lasted approximately 15 to 20 minutes. We sustained no casualties and they sustained no casualties, either.

[Lopez] How did you manage to locate the war materiel seized by the Army?

[Aviles] The reaction... [changes thought] the Army units located near the Azambio Bridge reacted immediately and maneuvered until they came to the point from which the fire had started. I think that the rebels withdrew and left this materiel behind.

[Lopez] Colonel, talking about another thing, the FMLN has reported that they are going to... [corrects himself] that they are carrying out sabotage actions. Just yesterday, they reported the destruction of 398 bags of coffee. These sabotage actions against the coffee harvest have been announced for several days. What is the Army doing to prevent this?

[Aviles] Well, the Armed Forces are currently carrying out what is called the protection plan. It is specifically aimed at protecting the coffee pickers, the people who own coffee plantations throughout the country. You must recall that our country's main source of revenue is coffee and the guerrillas are trying to sabotage our economy by destroying the coffee mills, coffee plantations, and vehicles used to carry the coffee. The Armed Forces are currently operating on a national level, carrying out what the general staff has called Operation Protection. Our mission is to make sure that the coffee harvest is carried out without major consequences. Logically, the only ones who benefit from the destruction of the coffee production are the guerrilla forces.

[Lopez] Referring to the sabotage actions perpetrated by the guerrillas, it has been learned that they will try to increase their actions against the electric power sector in the near future. Have you any information about this? Are you taking any measures to prevent sabotage against the electric power sector?

[Aviles] Yes, as I said at the beginning the guerrilla forces' current strategy is to sow destruction through terrorism and sabotage. As I mentioned earlier, the guerrilla forces have no opportunity to achieve a military victory, so they are increasing their efforts to destabilize the government, the country, our economy, and our national security by destroying the country's strategic economic points such as the hydroelectric dams, bridges, electric towers, factories, vehicles, mills, etc. They are trying to destabilize the country within this framework, to carry out a publicity campaign at world level. To be frank, they have only managed to earn the scorn of the Salvadoran people, who are tired of so much violence and do not really advocate, under any circumstances, this type of action.

[Lopez] To conclude, Colonel, and regarding what the FMLN has called the truce, what can you say about it, as a military spokesman?

[Aviles] Well, the truce is a political measure. The president of the Republic is the one who should make the decisions on this. The Armed Forces support and advocate any political decision made by the president for the achievement of peace in the country.

FDR'S UNGO INTERVIEWED ON DUARTE ADMINISTRATION

PA172016 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 17 Dec 85

[Interview with FDR President Dr Guillermo Manuel Ungo by unidentified reporter, on 16 December 1985; place not given -- recorded]

[Text] [Question] Companero Ungo, first of all a fraternal and revolutionary greeting from Morazan Department. We have prepared the following question: Can you evaluate Napoleon Duarte's plan, which has been in effect for 1 and 1/2 years?

[Ungo] Thank you for this opportunity to address the Salvadoran people and all the companeros of the FDR and the FMLN. A special greeting to all the companero fighters and civilians in Morazan Department. We are nearing the end of this year and it is appropriate to take stock of the situation and the prospects for the country. Regarding the Christian Democratic Government presided over by Duarte, there has been enough time for us to observe and draw our own conclusions of what that regime represents and has represented. I think that, in general, we have come to the conclusion that this government has embodied... [changes thought] it has been the main instrument for the U.S. Administration's counterinsurgency policy. We can now assert, without a doubt, that this project has failed, it has no future, and this is true at every level. This is a [word indistinct] counterinsurgency project which mainly advocates a military solution, but does not include all the political, social, and economic factors -- only the U.S. Administration's increasing participation. It is well known that El Salvador is receiving more than $1.5 million per day, basically for the war.

Militarily speaking, although I am not an expert in this sector, I think that -- even if we accept the excuses presented by the government and the U.S. experts and politicians -- we can rightfully say that they have failed once again. This is evident even in their own statements. Some months ago they said that the FMLN was defeated and that it was only a matter of time, that next year would mark the final phase, and then we started to observe contradictions. The chief of the U.S. Southern Command asserts this will take some years and it will demand an increased U.S. effort and intervention in El Salvador. The chief of the U.S. Joint Chiefs of Staff recently said that they are making tactical and strategic [word indistinct] given the increasing FMLN activity. Lastly, we can state -- even if we have no participation or experience in the military sector -- that it is clear the FMLN [words indistinct] departments, and this situation was not given 1 or 2 years ago. The areas of operations are larger; the rearguard and zones under our control have increased and have been consolidated; and it is common knowledge that the Army is only trying to counter the FMLN's increased pressure and advances in all its actions.

All the tactics to wear out... [changes thought] We have read the news, even the government's news, and we have come to the conclusion that they are really worn out. The number of casualties being inflicted on them through dispersion and concentration tactics are even greater than the casualties inflicted 2 years ago. Making calculations for the month of October, we see that the Army sustained more than 800 casualties, and it sustained a similar number of casualties in November. The Army's general staff reported a smaller number of casualties, of course. They have to hide their casualties, but they had to admit to close to 500 casualties per month. This clearly indicates they are being worn out and cannot carry out their plans or achieve the goals established by the Reagan administration's counterinsurgency strategy.

In the political sector, the government's situation is obviously deteriorating. It does not want to fulfill its democratization plan -- or rather its alleged democratization and repressive agrarian reform plan. The death squads continue to operate and increase or decrease their actions according to need and chance. It has failed to completely dismantle its assassination groups. The human rights situation is also serious, to the extent that it was recognized a few days ago by the United Nations itself. Last Friday, the UN General Assembly took a general vote and 100 governments, meaning 100 votes, approved a resolution through which they condemn the massive, serious, and [word indistinct] violations of human rights. Only two countries voted against this, so it represents a recognition that the false democratization process has completely deteriorated.

In addition, we can ascertain that their political goals are becoming increasingly subordinated to the Reagan administration and to the rightist sectors and that Duarte's government has lost credibility. This became more evident recently when Duarte felt so weak that he had to shed his disguise and show his repressive character by refusing to authorize the FMLN-FDR delegation's entry into the country to participate in a peace forum. His policy, which reportedly advocates a dialogue and peace, was proved to be totally false, outrageous, and hypocritical because he was afraid of four companeros who wanted to enter the country.

Furthermore, we have seen that the social and economic crisis has led to the growth of labor and union organizations which demand their rights and struggle for their survival. During General [Carlos Humberto] Romero's time, they would have been repressed and accused of being subversives, and of [words indistinct] increasing repression. Therefore, the agrarian reform has been abandoned even though Duarte claimed they would advance their plans -- and demagoguery -- when the Christian Democrats achieved a majority in the Legislative Assembly. They now have a majority in the Legislative Assembly -- in fact, they have had it for 9 months -- but they have done absolutely nothing. This has prompted a protest from the union and labor sector, but the only answer has been threats and repression.

Lastly, and to conclude quickly, we can underscore that corruption has reached incredible, heretofore unknown levels and that the Christian Democrats have become millionaires along with top-level Army officers. In times of crisis, this has an impact on the people, who openly reject and despise this type of government. Therefore, this is an increasingly illegitimate government which has lost its credibility and submitted our sovereignty to an increasing participation, domination, and control of our political life by Washington. In the social sector, we also see how the government has lost its social bases, how sectors which were close to the government and had some kind of understanding or pact with the Christian Democrats have denounced them at meetings of the UPD [Democratic Popular Unity], the CTS [Salvadoran Workers Federation] -- which is affiliated with the CLAT [Latin American Central Organization of Workers] and is clearly Christian Democratic -- Workers Democratic Central. These have assumed a different role, demanding and defending their rights and resorting to strikes. We must also include the economic problems and restrictions being withstood by small and medium-sized businessmen. Consequently, this government has quickly become a government of the minority.

Lastly, in the economic sector, even though the foreign debt has surpassed the 5 billion colones level -- as recognized by Minister Fidel Chavez Mena -- and even though more than $1.5 million or more are received every day from the United States, unemployment continues to increase, inflation and poverty are acute, and the working people are bearing all the burden on their shoulders.

The colon is becoming increasingly devalued despite all the U.S. Government's support. This leads us to the conclusion that 1985 has been a year in which the government's deterioration has increased [words indistinct] and the government has lost control. It is now drifting aimlessly while the Christian Democrats are doing nothing but getting richer and building a political structure based on repression, blackmail, and economic propositions. However, they are losing the people's support.

The U.S. Government is practically in charge of the state and its plans, the military sector is waging the war, and the Christian Democrats have practically nothing to do, not even in the international sector, where basically all Duarte does is travel to the United States to present reports and receive instructions from President Reagan -- who has turned Duarte into the main [word indistinct] of a struggle against Nicaragua, against the Nicaraguan Government. His position is frankly dependent, shamefully submissive. This position has been equalled by no one, not even by neighboring countries. In the international sector we also see the UN vote, the report from the OAS Human Rights Commission [words indistinct] human rights violations. We see that Duarte's Christian Democratic government has been isolated; it has lost credibility and its legitimacy is being doubted in the international sector. His last visit to Europe achieved very little. He barely visited Spain on an official basis. He had to call his visit to France an unofficial visit to justify the fact that he was not received by President Mitterrand or Prime Minister Fabious; he barely managed a courtesy visit to the foreign minister. His visit to South America -- publicized throughout the year -- never took place because he knew that all those countries would urge him to fulfill his promises to the Salvadoran people and the international community.

He has failed to fulfill his own dialogue offer and his pledges to us both at La Palma and Ayagualo. He has either broken or failed to fulfill his pledges, and this had led to contradictions and a weakness within the government. The dialogue was broken [corrects himself] interrupted more than 1 year ago due to the Duarte government's lack of responsibility.

Consequently, the prospect for 1986 is greater deterioration, more evidence that the Christian Democratic project supported by the Reagan administration -- in other words the Reagan project carried out by the Christian Democrats -- has failed. This opens up possibilities for the people's movement and the different sectors of Salvadoran society to begin seeking a higher consensus and a better understanding, knowing it is necessary to build a national political project and generate a national consensus that advocates a pluralist participation. Thus, we will be able to overcome the crisis that prevails in our country and achieve peace with justice and freedom -- the goals for which our people are struggling, particularly those organized in our fronts. Then, this would be our conclusion.

In this regard, our message for this Christmas and the New Year is a message of hope and responsibility because we will fulfill our goals only by exerting a joint effort, an effort which combines all the national sectors that really want a free, sovereign, independent homeland, a homeland with justice and freedom .

[Question] Dr Ungo, we have a last question. Morales Ehrlich and other Christian Democratic spokesmen have stated that the national, popular sectors that participated in the second forum for dialogue and peace, which was recently held at the university, were instruments of the FDR and FMLN. What is your opinion about this?

[Ungo] Those statements are totally unacceptable. They remind me of Colonel [Arturo Armando] Molina's and General [Carlos Humberto] Romero's times when we and the Christian Democratic [word indistinct] were accused of this. It follows the saying: He who does not support me is against me. This is a totalitarian and fascist scheme; it is a repressive scheme aimed at curbing the development of the people's movement and all the other social sectors who have their own representatives and [word indistinct]. They want to judge us according to their standards; in other words, since this is a submissive government, a government subordinated to the Reagan administration, it thinks that all the other social sectors can be subordinated, that they have no autonomy. This is dangerous, and we must reject it, not only in words but also with facts and with our actions. We must prove that all these social, union, and economic groups and organizations, even the private and business sectors, must continue to express their opinions because we are convinced that peace with justice does not exclusively depend on our government or our fronts, but on all Salvadorans.

Thus, the joint communique at La Palma came to the conclusion that both parties should seek a way to allow all of the national sectors to participate in that national dialogue. Therefore, the statements by Morales Ehrlich and Viera [not further identified] simply seek to block, barricade, or curb the requests for talks by sectors of Salvadoran society. This warmongering stance in opposition to the talks only seeks to paralyze or constrain [developments] through fear, threats, coercion, or through unjust or unjustified accusations. We reject these charges that again show how the government is becoming more and more repressive, undemocratic, and has totally unmasked itself. I have said that Duarte, Morales Ehrlich and Viera are doing a political [word indistinct] strip-tease [preceding word in English]. I mean they are completely baring the true nature or true character of their government.

[Question] Onecifero Blandon, chief of staff of the puppet Army, has said that the Army does not recognize the truce because it did stem from an established [constituido] power. How do you feel about that?

[Ungo] Yes, yesterday several foreign newsmen told me about Gen Blandon's statement, and it merits some comments. First, it is a childish stance seeking to deny a well-known fact that the people understand well: The truce agreed on by the FMLN and the FDR is a real truce. The people know this and will benefit by celebrating the Christmas and New Year holidays at home, if the government does not engage in hostile actions. Therefore, this will be a test for the government if it in fact it talks of peace while waging war and bringing destruction and death. Second, [word indistinct] a signal of weakness, because it will be revealed that there is a real power and that all the FMLN fighters and civilians in the zones under our control or in dispute will comply with this decision. Third, it is clear that under the current circumstances in which the government is becoming more subservient to the Reagan administration and the far right sectors, it does not want a dialogue even though it talks about a dialogue.

Why is the Government reluctant to accept our representative nature when it has previously recognized this through dialogue and negotiations, and the meetings in La Palma and Ayagualo? I feel that Blandon's statement in this regard totally [word indistinct] the Salvadoran Government's commitment and readiness for the talks. It is talking of dialogue, yet it says it cannot speak to us and that holding such talks makes no sense.

For this reason, I believe that there [words indistinct] just that now [words indistinct] Gen Blandon's statement gives a clear view of this warmongering and simultaneously unrealistic stance that seeks to deny that there are two powers throughout El Salvador. For this reason, the Salvadoran people are suffering the consequences of this statement. Although the Army may behave well and avoid engaging in military operations during the holidays, the people feel uncertain about whether they will be able to celebrate the Christmas and New Year holidays in their homes because they do not know if the government will react by attacking and bringing destruction and death during those days.

[Question] Dr Ungo, don't you feel that there is a contradiction in the fact that although Gen Blandon is rejecting the truce declared by our fronts, during a recent meeting with newsmen Napoleon Duarte hinted at the possibility and benefits of a Christmas truce?

[Ungo] The (?reaction) has been similar to that of last December. Duarte and [Julio Adolfo] Rey Prendes made favorable comments regarding the truce declared by the FMLN-FDR. Yet, during a ceremony by the General Staff he -- I do not remember if it was Blandon or someone else -- said that there was no reason to accept or comply with the truce. Therefore, this not only reveals contradictions within the government, but also Duarte's weakness and subservience to the top military command as well as the Reagan administration. This gives a bad impression of Duarte as commander in chief of the Armed Forces which he is, at least (?technically). In addition, this situation allows the government to maintain an ambivalent stance and play with its good and negative aspects. It allegedly accepted the truce in order to create a good image, especially abroad, and at the same time project stern, warmongering, and unrealistic image with specific actions in the country's interior. In sum, Blandon has cast the Duarte government in a bad light.

[Question] Dr Ungo, to conclude our interview, is there anything else? Do you want to convey a message to our fighters and our people?

[Ungo] Most of all, I want to send a message of hope and unity. This is an appeal to all of us to take up our own duties at different levels with greater effort and commitment so that this struggle may serve to achieve peace with justice. This becomes more important (?in view) of our advances and growth. The superpower has not been able to defeat us; quite the contrary, it has been retreating. In this respect, at present unity based on mutual respect is gaining importance. In addition, we have been striving for this as best we can. This is a process in which all of us must contribute and facts may be the best way to belie the enemy's statement that there are divisions, or that we hold differing views. In this respect, we hope that 1985 has significantly proved that we are in a better position and that we have obtained greater results in [words indistinct] democratic and revolutionary alliance. May 1986 [passage indistinct].

May the Salvadoran people enjoy their Christmas and New Year holidays, which we respect and share. Likewise, [words indistinct] to join our efforts so that our commitment is stronger and more decisive. In addition, I would like to say that the Christmas and New Year's truce [words indistinct] FMLN-FDR will in the end depend on the government's actions so the people may relax and celebrate. Once again, the government will demonstrate if it truly wants our entire people throughout the nation to enjoy these feasts. In the communique announcing the truce we disclosed our commitment. However, (?it is up) to the government to react by respecting our people's spiritual feelings. We hope that all the social, economic,and political sectors demand from the government their right to peacefully celebrate Christmas and the New Year.

FMLN EXPLANATION OF DIALOGUE PROPOSAL

Part 6

PA130335 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 11 Dec 85

[Special Feature: "What is the FMLN's Dialogue Proposal?" -- Part 6]

[Text] Sixth principle: Under the current circumstances, none of the parties involved in the conflict must attempt to disarm or demand the surrender of the other party through the dialogue, much less suggest this as a precondition as expressed in the government's peace proposal. This proposal is very clear; however, we have had to stress it on several occasions due to the Christian Democrats' foolishness. In many official speeches, Duarte and other officials have said that the FMLN must lay down its weapons as a prerequisite for any agreement. This is absurd; it is unrealistic. The FMLN will never put its weapons down. The dialogue is not a means of surrender.

We participated in the dialogue as a real force supported by the power of our weapons and the power that the support of the people gives us. Our legitimacy is not in doubt and Duarte or the high command have no authority to demand that we surrender or put our weapons down. We participated in the dialogue to discuss the possibility of reaching a national agreement aimed at finding a political solution to the current conflict. The high command and Duarte know that we are acting seriously. This pressure is exerted within an international and national framework. This is what the regime must understand. We say that no one, not even Duarte, can demand that we surrender or lay down our weapons because the puppet Armed Forces cannot do this on the battlefield.

What is Duarte seeking with absurd requests such as these? There can only be one answer: to hinder the process of dialogue and sabotage it at any cost. The Christian Democratic dictatorship knows that we will never do such a senseless and absurd thing. Therefore, they are trying to create difficultis for the dialogue that will appear to be insurmountable. There is nothing that the Communications Ministry can do to hide this truth. The FMLN has no need, nor does it wish, to lay down its weapons. For this reason, we are forced to reaffirm this every time the regime comes up with that proposal.

Part 7

PA131755 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 12 Dec 85

[Special Feature: "What is the FMLN's Dialogue Proposal?" -- Part 7]

[Text] In the previous installment, we talked about the lack of sense in the proposal to surrender and to lay down arms during the current conflict. We discussed why a demand of this nature is unacceptable and also Duarte's reason for submitting it. Duarte is using this demand to sabotage the continuation of the dialogue. In today's broadcast, Radio Farabundo Marti will present principle No 7, which states:

We do not recognize the Constitution of the country because the process of its preparation and foundation are defective. It is aimed at legalizing the existing unjust economic, social, and political system and covering up the U.S. counterinsurgency plan, which we are defeating. A new constitution that will institutionalize a just and free society will emerge from the liberation and self-determination which the Salvadoran people will achieve.

The Constitution is actually a compromise between Duarte's puppet government and the Salvadoran oligarchy. Through this compromise, these sectors seek to guarantee the legitimacy of the current exploitation system and to impose it on the people at all costs.

It is a fact that the workers have not taken part in the drafting of the Constitution. Based solely on this reality, one can conclude that the people's interests cannot be represented in this Constitution. Let us remember who was the president of the Constituent Assembly when the constitution was drafted. He was none other than Major Roberto D'Aubuisson, assassin of Monsignor Romero and well-known head of the death squads.

In addition, and recalling principle No 5 of our proposal, we do not recognize the legitimacy of the incumbent Christian Democratic regime because this government has emerged from the imperialist interests of the U.S. Government. Therefore, since this regime does not advocate the interests of the overwhelming majority of our people, we cannot recognize its Constitution either. This Constitution is more closely related to the counterinsurgency plans than to the needs and political, economic, and social aspirations of our people.

The current Constitution blocks the implementation of the agrarian reform and enshrines latifundium. This is so because the representatives of the oligarchy made their will and interests prevail at the time of its drafting. At that moment, there were no workers' representatives to raise the points of view of the workers with regard to landholding. In the end, the workers did not vote either.

An article of the Constitution refers to the people's right to insurrection. However, it is fraudulent because it makes it clear that this right does not authorize the people to amend or to repeal this onstitution. Therefore, things remain the same because, the way it is drafted now, this document legalizes the system of exploitation and injustice.

Duarte is using the Constitution as a pretext for not fulfilling his commitment to continue the dialogue. The Constitution has become a justification each time that Duarte or any other official of the regime shirks the dialogue.

We cannot accept this. The need for and possibility of holding the dialogue arise from the reality of the current conflict and go beyond a settlement between the government and [words indistinct]. The dialogue must be held despite the Constitution or any other hindrance and, if necessary, these obstacles must be moved aside in order to begin it. Beyond a constitution that legitimizes the current state of affairs, there exist the interests of the people and these cannot be postponed and much less ignored.

Part 8

PA141941 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 13 Dec 85

[Special Feature: "What is the FMLN's Dialogue Proposal?" -- Part 8]

[Text] In yesterday's broadcast, we referred to the current Constitution. This document sets forth the compromise reached by the government and the oligarchy, which sidelines the workers' political, economic, and social interests and expectations. We predicted that the people will some day create a constitution of their own adhering to the rights that have always been denied them.

In today's broadcast we will present principle No 8, which states:

Any peace negotiated through dialogue must involve the formation of a broad-based [de amplia participacion] government including the FDR and FMLN; the preservation of the FMLN's armed power; the sectors that make up the incumbent government; and the preservation of its Armed Forces. This transitory government would solve the pending problems, including the existence of two armies, and establish conditions to permit the Salvadoran people to freely and democratically chart the country's future course through truly free elections.

Any process of negotiation and peace agreement will make sense if a broad-based government is created. The broad-based government would have the following tasks: to guarantee compliance with the peace agreement; to create conditions to enforce respect for human rights; and to make the minimum reforms required to establish a just social order. On the basis of these conditions, the broad-based government would open the way to a truly democratic election. These would be the first democratic elections in our country's history.

The broad-based government is necessary because an eventual peace agreement cannot be entrusted to the good will of only one of the parties. Within the context of this broad-based government, it must be understood that it will be necessary for both sides to keep their respective armies at first. We do not demand that the Armed Forces be disarmed or that the incumbent government resign but that they be integrated into the process and the mechanisms that would be created under the peace agreement. Likewise, the regime cannot demand the disarmament of the FMLN or expect our fronts to be left out of the transitory government.

The installation of a broad-based government as a result of a mutual agreement would be a historical achievement that would open the way to the creation of a new society. All sectors and political forces of our country would be represented in the broad-based government.

The broad-based government is a means to achieve the transformations that have to be made in our country at the least possible social cost. Nothing and nobody can block these transformations as they must be achieved at any cost. In our coming transmissions we will make known all of the 16 principles defining our position and thoughts about the dialogue. Be on the watch for them.

Part 9

PA151958 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 13 Dec 85

[Special Feature: "What is the FMLN's Dialogue Proposal?" -- Part 9]

[Text] Radio Farabundo Marti is presenting the 16 principles of our proposal for a dialogue for peace. These principles contain our political position in that process. In yesterday's broadcast we referred to principle No 8 explaining the meaning of a broad-based government. We saw that a possible peace agreement between the parties in conflict must lead to a provisional government. Such a government that we described as a broad-based government is precisely a way to incorporate all the national forces and sectors in the construction of a democratic path of popular participation. In today's program, Radio Farabundo Marti refers to principle No 9 which states:

The topic of humanization [of the conflict] presupposes that the war will continue. The real humanization of the conflict can only be attained through a just and overall political solution of the conflict. The idea that the weapons will be gradually silenced solely through successive humanization agreements is false.

This aspect of the humanization of the conflict can be broached from two viewpoints. The first is based on a partial view of the issue of humanization. Here we are speaking of humanization in the framework of the continuation of the war, in other words, it is solely an attempt to alleviate or reduce some of the effects of war. For example, we are speaking of establishing that both parties will respect specific installations such as hospitals, schools, civilian houses, and in general, any nonmilitary target. Another very important aspect of the humanization within the framework of a war that is continuing is the good treatement of prisoners of war, the prohibition of torture, respect for the wounded and disabled, and the outlawing of forced recruitment.

All these aspects that must be considered within the framework of a partial humanization of the war are important. Nevertheless, we cannot speak of a real humanization of the conflict because the war is continuing. The true humanization of the conflict is only possible through an overall political solution. In other words, the true humanization of the conflict cannot be partial or momentary. The objective of the FLLN-FDR's dialogue proposal is to achieve a halt to the armed confrontation and in this way to achieve a true process of humanization.

We will explain the difference between the two types of humanization with the example of what takes place during a truce. On Thursday, our two fronts announced a truce for 24 and 31 December. This truce is well received by our people as well as by the soldiers of the dictatorship. Our objective is to respect the people's traditions and to enable them to meet with their families during these festivities. However, despite the truce that we will hold, the war will continue before and after it. The conflict has not been resolved so the weapons of one and the other side will continue to be heard until a peace agreement is achieved. This is the difference between a partial agreement and an agreement to thoroughly resolve the problem.

The FDR and FMLN want the topic of humanization to be considered in an overall manner even though we have had and we will continue to have initiatives to introduce and fulfill agreements on partial humanization of the conflict. We believe that the search for an overall and deep humanization makes sense. The illusion that weapons will be gradually silenced by successive partial agreements on the humanization of the conflict must be replaced by a mature vision in accordance with our reality.

Part 10

PA171855 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 1830 GMT 16 Dec 85

[Special Feature: "What is the FMLN's Dialogue Proposal?" -- Part 10]

[Text] We are presenting the 16 principles that define our political position and idea of the dialogue. In view of a dialogue of principles promoted by the FDR and FMLN, Duarte is coming up with an opportunist statement on the dialogue daily. This opportunism has been unmasked and for this reason the regime refuses to continue the process begun at La Palma.

In our previous program we presented principle No 9. We said that a distinction had to be made between a partial and an overall humanization. The latter can only be reached through an overall political solution.

In today's program, Radio Farabundo Marti will present principle No 10, which states: We will always fight to establish a dialogue aimed at achieving an overall negotiated political solution. Therefore, we reject the fact that the Duarte government continues to use the dialogue as a maneuver in favor of Reagan's policy against the Salvadoran people and his aggression against and blackmail of Nicaragua. With this statement, our front [word indistinct] a position of principle in regard to the dialogue. We must stress this because of the tactical and dishonest use that Duarte is giving the dialogue. The objectives Duarte has sought with the dialogue are not those of the people. In fact, Duarte has used the dialogue to obtain economic and military support to continue the war, create a good image abroad, and play the game of Reagan's policy concerning Nicaragua -- demanding it hold a similar dialogue with the counterrevolutionaries.

As you see, Duarte's intentions are no good. He has also used the dialogue to attract votes during the elections, thereby exploiting a false hope for peace. Duarte's ill intentions regarding the dialogue are closely linked to the regional policy that the White House is implementing in Central America. U.S. imperialism has tried to impose the establishment of talks with the counterrevolutionaries on the Sandinist people's government under a theory of equal rights. According to them, the Somozist counterrevolution has the same right to a dialogue with the government that the FMLN and the FDR have. This maneuver supported by Duarte is aimed at hiding the mercenary nature of the Nicaraguan counterrevolutionaries. We cannot accept that these bandits armed and directed by the Yankee CIA have the right to be recognized and accepted in a negotiating process. They are forces that have not been recognized in Nicaragua and that attack from Honduras where they seek refuge under the protection of the Honduran puppet government.

The Nicaraguan counterrevolutionaries and the Salvadoran puppet Army have something in common: They completely depend on the Yankee aid. If it weren't for the millions they have been receiving from imperialism for a long time, they would have been erased from the face of the earth. Although Duarte became involved in the dialogue with such dangerous ill intentions, he has not been able to make the people forget the dialogue. In fact, several pupular and democratic sectors have already organized to hold events to support the dialogue thus reaffirming the strength of this path toward a solution.

GUATEMALA

TRADE WITH COSTA RICA TO RESUME 16 DECEMBER

PA171758 Guatemala City EL GRAFICO in Spanish 15 Dec 85 p 4

[Text] Guatemala City, 14 Dec -- Guatemala and Costa Rica have agreed to resume their trade tomorrow, 16 December, after it was suspended on 29 July 1985. This decision was made at a meeting held between Costa Rican Economy Minister [Odalier] Villalobos and Guatemalan Economy Minister Daniel Arriola Galindo in Costa Rica.

The Costa Rican Government decided to close its border to Guatemalan products when it demanded payment of a $70 million debt owed by Guatemala. The original debt figure was approximately $50 million, but it increased in such a way that Costa Rica decided to suspend trade between the two countries.

Eduardo Lizano, president of the Central Bank of Costa Rica, and Fernando Figueroa, manager of the Guatemalan Bank, participated in the solution of this problem.

Agreement Reached

The agreement reached between the two countries in order to resume trade was that Guatemala promised to pay the past due interest immediately. This interest amounts to $7.3 million and must be cancelled by 15 January 1986. Regarding the undocumented debt (deuda no documentada), which amounts to more than $22 million, Costa Rica granted Guatemala a 7-year period for its amortization, including a 3-year grace period.

As far as Guatemala is concerned, it is felt that the suspension of trade with Costa Rica resulted in a large loss since most trade occurs in November, during the Christmas season, when there is a large volume of sales.

NICARAGUA

BARRICADA VIEWS REAGAN CALL FOR CONTRA AID

PA180004 Managua BARRICADA in Spanish 15 Dec 85 p 1

[Text] Washington -- Yesterday U.S. President Ronald Reagan delivered his harshest verbal attack against Nicaragua since taking over in 1981. He used harsh epithets to describe Sandinist leaders.

During his weekly radio address, which was mainly dedicated to Nicaragua, Reagan stressed the need to grant more efficient help to the contras. He said: "To fail them when they need us, is to fail ourselves and lose our last good opportunity to achieve liberty."

He again spoke about Cuban "intervention" in Nicaragua claiming that there are 3,000 soldiers from that country; he cited this figure twice. Reagan said that there are reportedly 7,000 Soviets, Cubans, Bulgarians, Libyans, and PLO members in Managua.

He said that Nicaragua is "an imprisoned nation" where clergymen are persecuted and "the word of God is a declaration of freedom that must be suffocated."

Using language not in keeping with his office, which was negatively received here, President Reagan used the words "brigands," as they called Sandino, and "group of very cruel men," and "dictators" to describe the members of the FSLN National Directorate. Finally, Reagan said that to increase aid to the contras, he sent his National Security Counselor John Poindexter to Central America. He visited the countries of the area with the exception of Nicaragua this week.

TIRADO LOPEZ VIEWS COMING YEAR, U.S. AGGRESSION

PA170449 Managua LA PRENSA in Spanish 13 Dec 85 p 10

[Text] Managua -- The Sandinist revolution will experience a difficult year in 1986 due to the extensive aid that the U.S. Government has granted to the contras, one of the nine commanders ruling the country said today.

[Victor] Tirado Lopez, who is in charge of labor matters for the FSLN told a group of press correspondents that "there has been a significant change in the balance of military forces" in Nicaragua since a surface-to air missile of the Nicaraguan Democratic Forces [FDN] shot down an Army helicopter 10 days ago.

Tirado said that his government could acquire this type of missile on the international market to counter its existence in hands of the enemy.

"Moreover, we are considering this possibility," he said. "We are going to make sure the Sandinist Army can defeat the contras on the sea, air, and ground." Commander Tirado Lopez said that the U.S. Government intends to double the number of contra forces in Nicaragua, until approximately 35,000 men are armed against the Sandinist Revolution.

"No, wars are not declared, but waged, and that is what the United States is doing. They are now openly talking about overthrowing the Nicaraguan Government," Tirado said. However, the revolutionary leader predicted that the contras "will be reduced to their minimum expression" in 1986.

Tirado Lopez, who is of Mexican origin, but who became a Nicaraguan citizen 6 years ago, said that the Sandinist revolution has not been undermined as a result of the clashes with the rebels, but admitted that some sectors "have abandoned the revolution."

"It is possible that the unity that existed on 19 July 1979 (the day of the Sandinist guerrillas' victory) is no longer the same, but the main forces are maintained. [No end quotation marks as published].

Tirado Lopez said that his government "is not isolated internationally." However, he noted that achieving Latin American unity has become a difficult, task, because "there are different political interests in the region."

"I do not believe we are isolated or abandoned. There are Latin American countries that have not left us alone. Others yield, perhaps due to U.S. economic pressures, Tirado Lopez stressed. [no end quotation marks as published].

Tirado said: "The international silence in face of the acquisition of modern anti-aircraft equipment by the 'contras' favors an atmosphere for U.S. intervention."

"The invasion could be tomorrow," he said. "The United States is trying to convince its allies that Nicaragua is the center of international terrorism, but it cannot fool everybody," he added.

However, the Sandinist leader said that due to political principles, his government has no intention of breaking its diplomatic relations with the United States, although the U.S. Congress "has declared war on us," by authorizing the shipment of planes and other forms of transport means to the contras. "We hope they will be the first ones to break the relations," Tirado Lopez said smiling. "We are getting ready to face a U.S. invasion. Let them not be mistaken: We will not be caught offguard," he concluded.

UNO SUSPENDS ANTI-SANDINIST UNITY TALKS

PA170311 Panama City ACAN in Spanish 0031 GMT 17 Dec 85

[Text] San Jose, 16 Dec (ACAN-EFE) -- The negotiations on unifying the anti-Sandinist groups located to the north and south of Nicaragua have failed again, according to a communique released by the Southern Opposition Bloc (BOS) of Nicaragua.

Its secretary general, Leon Nunez Ruiz, charged that the Nicaraguan Opposition Unity (UNO), with whom it sought an alliance, has unilaterally suspended the talks.

The BOS groups the "Rescue Movement," the sector of the Democratic Revolutionary Alliance (ARDE) loyal to Eden Pastora, and a professional association and a labor organization. The UNO is made up of the Nicaraguan Democratic Force (FDN) and the ARDE group headed by Alfonso Robelo.

Despite the initial failures, BOS has exhorted the UNO leaders to "think it over" in an effort to reach a national democratic agreement between the two groups. Referring to the significance of achieving that alliance, the BOS leadership pointed to the need for paving the way for democracy in the country and for avoiding replacing "the present communist dictatorship with another dictatorship similar to that of Somoza."

For the establishment of that democracy, BOS favors a process of national reconciliation stemming from the Nicaraguans themselves.

REBELS AMBUSH, DESTROY TWO CHEMICAL FIRM TRUCKS

PA170440 Paris AFP in Spanish 0136 GMT 17 Dec 85

[Text] Managua, 16 Dec (AFP) -- Two trucks of a chemical producing company were destroyed Saturday by anti-Sandinist groups in southeastern Nicaragua, leaving a toll of one dead, the Defense Ministry reported today. The official bulletin said that the driver of one of the vehicles was killed in the action, and added that the counter-revolutionaries ambushed and burned the two vehicles.

The incident took place in the sector known as "Medio Mundo," on the road joining the city of Juigalpa and El Rama river port, in the southern part of Zelaya Department. That sector, as well as several communities in the bordering Provinces of Boaco and Chontales, were the scene last month of bloody combat between the rebel forces and the Sandinist Army.

At that time, 350 guerrillas tried to occupy the town of Santo Domingo, of approximately 7,000 inhabitants, but were repelled by government troops with Soviet Mi-17 and Mi-24 helicopters. Later, another rebel force was turned back by the Army when it attacked the town of Cara de Mono and the military base at El Guayabo, in Central Zelaya and Boaco.

SOVIET DELEGATION ARRIVES FOR 8-DAY VISIT

PA171644 Managua Domestic Service in Spanish 0300 GMT 17 Dec 85

[Text] Summoned by the Committee of Solidarity with the Peoples [CNSP], a delegation from the CPSU Central Committee arrived in the country today. The group is headed by Comrade Aleksandr Bovin, a member of the control commission, a political observer for the newspaper IZVESTIYA, and a spokesman for the USSR Supreme Soviet.

The objective of their visit is to exchange views with members of the CNSP, find out more about the revolutionary experience, meet with workers from different sectors including the media, and visit the war zones. The Soviet delegation will be in our country for 8 days.

PUBLIC HEALTH MINISTER DEL VALLE REPLACED

FL181235 Havana Radio Progreso Network in Spanish 1200 GMT 18 Dec 85

[Text] At the request of the public health minister, Comrade Sergio del Valle, the Politburo has agreed to propose the Council of State release him from his post as head of that ministry. Comrade del Valle gave persuasive reasons to suggest that another comrade with more technical knowledge and organizational experience in the area of public health assume these functions to carry out the important programs Central Committee First Secretary Comrade Fidel Castro is encouraging in this field.

The Politburo wishes to express the deep appreciation our party has always had for Comrade del Valle for his great revolutionary merits, his humility, and his modesty, which are made evident once more at this time.

The Council of State approved the Politburo's proposition. Comrade del Valle will now carry out other tasks.

At the request of the Politburo, the Council of State has appointed Comrade Julio Teja Perez as public health minister. Teja Perez was public health first vice minister. The Council of State has appointed Comrade Jorge Antelo Perez public health first vice minister. He had been vice minister of public health.

SPAIN SAYS CUBAN EXTRADITION REQUEST NOT RECEIVED

PA171447 Madrid EFE in Spanish 1355 GMT 17 Dec 85

[Excerpts] Madrid, 17 Dec (EFE) -- Diplomatic sources told EFE today that the Spanish Government "has not yet received " a formal extradition request for Cuban citizen Manuel Sanchez Perez, who has sought temporary asylum in Spain. Sanchez Perez, director of one of the departments of the State Committee for Material and Technical Supply [CEATM], was the victim of a kidnapping attempt by four Cuban Embassy officials in Madrid on Friday. These officials were later expelled from Spain.

Rafael Pastor Ridruejo, Spanish director general of consular affairs, told EFE that "thus far, the Foreign Ministry registry does not show an entry for a formal extradition request for that individual with corresponding documents." The director general said that thus far Cuban officials have made only a verbal statement to the Spanish Embassy in Havana that they are going to ask for Sanchez Perez extradition, "but this verbal request is not enough to begin the procedure. The extradition request must go through the regular channels in order to be considered," Pastor added.

However, Spanish authorities expect to receive the extradition request in Madrid in the next few days, in line with the verbal request made at the embassy in Havana. Pastor maintained that the Spanish Government must now "wait and then act in accordance with the receipt of the pertinent documents."

The director general of consular affairs told EFE that his duty is to "immediately deliver Sanchez Perez' formal extradition request to the Justice Ministry as soon as it is received. The ministry will then turn it over to the courts, which will decide if it will be granted or denied."

RODRIGUEZ ARRIVES IN MOSCOW FOR CEMA MEETING

FL170208 Havana Television Service in Spanish 0100 GMT 17 Dec 85

[By Sergio Escalona]

[Text] Dr Carlos Rafael Rodriguez arrived in Moscow today to preside over the Cuban delegation that, beginning tomorrow, will participate in the 41st extraordinary CEMA meeting.

Rafael Rodriguez, vice president of the Councils of State and Ministers, was met at the airport by (Segulof Buharovsky) member of the CPSU Central Committee and first deputy chairman of the USSR Council of Ministers, as well as other personalities of the party and the Soviet state.

For Cuba's part, Rafael Rodriguez was met by Comrade Lionel Soto, member of the Communist Party of Cuba Secretariat and Cuban ambassador to the USSR, as well as other officials from Cuba's mission in the USSR.

Tomorrow's CEMA session is dedicated to reviewing the complex program of scientific-technical development of member nations during the moments in which they are all planning their 5-year and development plans through the year 2000.

The five fundamental points to be considered are: electrification of production, complex automation, development of nuclear energy, creation of new types of materials, and acceleration of biotechnological development.

Meeting Begins

FL180230 Havana Television Service in Spanish 0100 GMT 18 Dec 85

[Text] CPSU Secretary General Mikhail Gorbachev met today at the Kremlin with heads of delegations and secretaries of the brother parties participating in the 41st extraordinary CEMA meeting. In a climate of fraternal camaraderie, they discussed topics related to the complex scientific-technical program through the year 2000 and the participation of member countries. They stressed the importance of increasing socialist production based on the latest scientific and technological advancements and an even stronger union of forces.

In addition to the topics related to the session, they stressed the importance of the disarmament struggle and nonmilitarization of the cosmos. Finally, they discussed the preparations for the 27th CPSU party congress.

The Cuban representatives attending the meeting were Comrade Carlos Rafael Rodriguez and Lionel Soto. During the morning opening session, Dr Rafael Rodriguez spoke on behalf of the Cuban delegation. He announced that Cuba will participate in 18 of the 22 topics on biotechnology. The CEMA meeting will conclude tomorrow afternoon.

CUBAN-PERUVIAN COMMISSION DISCUSSES COOPERATION

FL161941 Havana Television Service in Spanish 0100 GMT 15 Dec 85

[Text] The fourth meeting of the Cuban-Peruvian Joint Economic Intergovernmental Commission has begun in Havana with an extensive agenda. Cooperation between the two countries in various areas will be the main subject of the meeting.

Cuban Vice Foreign Minister Jose Raul Viera and Hubert Wieland, Peruvian Foreign Ministry secretary general, head this fourth round of talks. Agricultural fishery, basic industry, health, and cultural activities are aspects of mutual interest for both delegations. They will also discuss the future of bilateral Cuban-Peruvian trade.

[Begin recording] [Viera] The serious economic situation most Latin American countries face is well known. This situation warrants greater cooperation between countries, among other things.

[Wieland] My government has firmly decided to give a new dimension to its relations with the sister republic of Cuba, based on a cordial and clear understanding of the true nature of interests which tie us and which should be translated to the fulfillment of objectives which consolidate a long-lasting friendship and will bring the development and prosperity of our two countries. [end recording]

Final Documents Signed

FL171642 Havana Radio Progreso Network in Spanish 1200 GMT 17 Dec 85

[Station commentary]

[Text] The final document of the fourth joint Cuban-Peruvian Intergovernmental Commission on Economic and Scientific-Technical Cooperation and of the second joint Commission of Foreign Trade were signed last night. The documents were signed by Cuban Vice Foreign Minister Ricardo Alarcon and Hubert Wieland, Peruvian Foreign Ministry secretary general. As a result of the talks, a cooperation program was approved for 1986 in eight economic areas. The program includes 26 projects as well as the study of possibilities of carrying out 10 others. Various alternatives were also explored which will be the foundation of future development on trade relations. Other projects of industrial production cooperation benefiting the economies of Cuba and Peru were considered.

The Cuban vice minister indicated that the foundation has been laid for the broadening and consolidation of Cuban-Peruvian cooperation. Alarcon added that the spirit of the accords is aimed at developing relations of cooperation and unity of Latin America as a whole, which is the basic factor for our countries' complete development. Peruvian Wieland expressed his gratitude for the kind treatment his delegation received in Cuba and underscored his satisfaction with the way the talks were carried out which shows the two parties' high disposition cooperation. Wieland also noted the importance of the agreements and the common objectives during the work meetings. He also stressed that, faced with imperial abuse, Cuba and Peru should work together for their mutual benefit. Finally, the representative of the Peruvian Government thanked Commander in Chief Fidel Castro for deciding to donate Peru two fishing trollers.

BARBADOS

NEWSPAPERS CRITICIZE GUYANA'S 'ELECTORAL RIGGING'

FL171921 Bridgetown CANA in English 1708 GMT 17 Dec 85

[Text] Bridgetown, Barbados, Dec 17, CANA -- Both of Barbados daily newspapers today urged Guyana's Caribbean Community (Caricom) partners to stop vacillating and apply pressure on the Georgetown administration, following strident allegation of widespread fraud in last week's general elections.

The time has come to recognise that vacillation is doing as much damage to other leaders' credibility as Guyana's alleged electoral rigging has done to that country, THE NATION said. But it is the nature of Caribbean politics that Caricom comrades can show solidarity with Guyana in an international campaign against South Africa's evil apartheid system, yet are almost resolute in turning a blind eye to a colleague's naked duplicity, the paper added.

THE BARBADOS ADVOCATE also put forward the view that there will only be a lot of talk about Guyana, but no firm action to force change. Unless there is a consensus on how to deal with Guyana's problems among the leaders in the region, nothing will be done. It is as simple as that, the paper said in an editoral comment. And because consensus appears to be embarrassing, so we will have only the now familiar cries of shame. After that, it will be business as usual.

The People's National Congress (PNC), which has been in power for 21 years, scored a landslide win in the controversial poll, denounced as fraudulent by the major opposition groups which have launched a campaign to bring down the administration.

CARICOM URGED TO MOVE SECRETARIAT FROM GUYANA

FL161810 Bridgetown CANA in English 2310 GMT 15 Dec 85

[Text] Bridgetown, Barbados, Dec 15, CANA -- Former Barbados foreign minister Henry Forde was among four panelists who today described recent general elections in Guyana as fraudulent and urged transfer of the Caribbean Community (Caricom) headquarters from Georgetown. Forde said during a Voice of Barbados (VOB) radio programme that Barbados had in the past criticised the rigging of elections in Guyana. But he said the time had come for the island to take the lead for Caribbean countries in bringing maximum pressure, including criticism and, if necessary, economic sanctions to bear on Guyana.

We have passed the stage of quiet diplomacy with Guyana...Guyana (elections last December 9) was blatant fraud, the government parliamentarian said.

The radio programme involved Forde, Guyanese journalist Ricky Singh, local opposition spokesman on foreign affairs Maurice King, and Dr Neville Duncan, a senior lecturer in government at the University of the West Indies (UWI).

The socialist People's National Congress (PNC), which has rejected widespread opposition allegations of fraud, won 42 of the 53 seats in the National Assembly.

Singh, who covered the elections for CANA and other regional media, said he had personally witnessed accredited opposition polling agents being ejected from stations. He said visits to some polling areas revealed light voter turnout but voting was subsequently officially reported as heavy.

Maximum pressure means criticism and if necessary economic and other pressures against the government of Guyana, Forde said. I think that we have the capability of doing that. I don't think we should carry Caricom (the Caribbean Community and Common Market) at any cost, he added.

Duncan called Guyana the equivalent of a fascist state and said the Caribbean governments should look for a more appropriate location for the Caricom secretariat. I agree that the Caricom secretariat should be moved in view of all that has happened, King said. But he said Forde's call for sanctions should be treated cautiously. He recommended that pressure be brought to bear at Caricom meetings.

Duncan said the elections results were just simply a farce. He said regional governments had been content to do nothing more than make some mild comments of disapproval on the regime. I think that's grossly unsatisfactory, Duncan added.

Singh said Caricom governments should set up mechanisms for upholding human rights in member countries.

HAITI

25 STUDENT PROTESTORS RELEASED FROM JAIL

FL171918 Bonaire Trans World Radio in English 1130 GMT 17 Dec 85

[Text] In Haiti some 25 students who were arrested by police for protesting the government-ordered shut down of a Catholic radio station have been released from jail. Government officials say President Jean-Claude Duvalier ordered the students released followed their detention Sunday night at the end of a Christmas concert. The students were arrested by security agents and taken to the Army barracks in Port au Prince for yelling "We want Soleil back." They were referring to the Catholic-run radio station Radio Soleil, which was ordered closed December 5th by the government because it reported on growing unrest in Haiti.

The shut downs of Radio Soleil and Radio Ave Maria followed the November 28th death of four students killed when police shot at a crowd of anti-government demonstrators in the town of Gonaives. A third radio station, Radio Lumiere, which is run by the Baptist church, announced on December 9th that it would refrain from broadcasting local news reports.

JAMAICA

RADAR TRACKING STATION SUPPLIED BY FRENCH FIRM

FL171917 Bridgetown CANA in English 1613 GMT 17 Dec 85

[Text] Kingston, Jamaica, Dec 17, CANA -- Jamaica is establishing an aircraft radar tracking station in the central parish of Manchester to improve its surveillance capability and take greater control of its airspace. The system will have a range of over 200 square miles, and the equipment will be supplied by the French firm Thomson CSF under a financing arrangement between the Jamaican and French governments, according to Communications Minister Pearnel Charles. Charles yesterday signed contracts with local engineers for the construction of the building to house the equipment.

The radar system will help air traffic controllers here accurately predict the position of aircraft, and in doing so enhance safety.

This will be the first radar here for air traffic control and air surveillance. Controllers here use the procedural control system where guiding planes is largely based on position reports received from aircraft and adjoining control systems.

With the radar we will be able to detect aircraft operating in our airspace illegally, Charles said...the radar will play an important and critical role in the nation's security network.

Jamaica is faced with a serious problem of light aircraft, mainly involved in the drug trade, using its airspace illegally. They land and take off on the scores of illegal airstrips which dot the over 8,000 square kilometer island, taking marijuana mainly to the southern United States. The government has been attempting to crack down on the drug trade and has harsh penalties for the illegal use of its skies.

Charles said illegal aircraft operating in Jamaica's airspace also posed a great danger to scheduled flights which the government hoped to minimise. I wish to register the government's appreciation to the French government and look forward with keen anticipation to the completion of this project, the communications minister said.

TRINIDAD AND TOBAGO

CHAMBERS ANNOUNCES 33.3 PERCENT DEVALUATION

FL172332 Bridgetown CANA in English 2322 GMT 17 Dec 85

[Text] Port-of-Spain, Trinidad, Dec 17, CANA -- Trinidad and Tobago today devalued its currency by 33.3 per cent, but announced that the old rate would be retained for essentials. Prime Minister George Chambers, in presenting his 1986 budget to parliament, said that except for a range of foods, drugs, agricultural imputs, and school books, the U.S. dollar, to which the Trinidad currency is tied, will now be worth TT 3.60 dollars -- compared with TT 2.40 dollars previously. Chambers said the move was aimed at improving competitiveness in industry and tourism and attracting much-needed investment. There were substantial benefits to be derived from the government's decision Chambers said.

First and foremost, said the prime minister and minister of finance, this would restore a measure of competitivness to industry and tourism. Secondly, it will be a fillip to investment particularly that financed from foreign sources, since the perception of an overvalued currency might well cause investors to adopt a wait-and see-attitude. Increased competitiveness and investment will lead to higher production, expanded exports and more jobs with consequent positive impact on government revenue and therefore the wherewithal for increased public expenditure.

Chambers said there were some inevitable costs associated with the devaluation, notably the lowering of the ability of citizens to purchase imports. But he said government will go to the fullest lengths to contain the cost of essentials. The competitive edge sought will not otherwise be gained, he said. In these circumstances, it is my considered view that the most advantageous way by which this can be achieved is the operation of a dual rate.

There will therefore be no change in the rate applicable to a range of foods, drugs, agricultural imputs, and school books, most of which have, for purposes of containing the cost of living, been exempt from the stamp duty on bills-of-entry levied in the 1985 budget. A full list of the items exempt will be published.

PRESIDENT HOYTE WARNS AGAINST DISRUPTIONS

FL172003 Bonaire Trans World Radio in English 1130 GMT 17 Dec 85

[Text] Guyanese President Desmond Hoyte has warned against any disruptions in his country. He made the warning after five political parties held a rally on Saturday to protest the results of last week's elections. Speakers at the rally called the election a massive fraud.

Mr Hoyte said on a radio address Sunday that the results of the election, which gave his ruling People's National Congress [PNC] a large parliamentary majority, accurately reflected the will of the people. He said general elections are not intended to cause permanent divisions in society or to disrupt national life. At a PNC generals meeting in Georgetown Sunday night, Mr Hoyte spoke out against the leadership of the People's Progressive Party [PPP] and the Working People's Alliance, which were two of the seven parties contesting the election.

He said the PPP has no future unless it can reorganize itself. He said his party, the PNC, might possibly do business with the PPP but he said it might not be possible for the party to do busines with PPP leader Dr Cheddi Jagan.

NON-STRIKING SUGAR WORKERS PLEDGE SUPPORT FOR PNC

FL172152 Georgetown Guyana Domestic Service in English 1000 GMT 17 Dec 85

[Text] The strike called [words indistinct] by opposition parties has had little or no effect on the pride of the sugar estates. BBC's area correspondent (Desmond Sanders) said that many sugar workers have vowed not to go on strike. He said most of the nonstriking workers have said: I have learned a bitter lesson from supporting previous strikes. [Name indistinct] noted that one worker has said he will not allow himself to be used as a political pawn since he and the country stand to lose if he withdraws his labor. And the non-striking workers have openly pledged [word indistinct] support to President Hoyte and the PNC [People's National Congress] whom they said they know are working in the workers' interest.

NON-STRIKING WORKERS POISONED, HOSPITALIZED

FL172246 Bridgetown CANA in English 2225 GMT 17 Dec 85

[Text] Georgetown, Guyana, Dec 17, CANA -- Seventy-eight workers at an east Guyana sugar estate were hospitalized today of suspected poisoning after drinking water from a tank on the estate, police and the state sugar company said. The incident occurred as a strike by sugar workers entered the second day. The striking workers are members of the Guyana Agricultural Workers Union (GAWU), which is aligned to the main opposition Peoples' Progressive Party (PPP).

The PPP last weekend threatened to call strikes and demonstrations to protest the outcome of last Monday's general elections, which opposition parties say were fraudulent.

The 78 workers at the Rose Hall estate, 78 miles east of here, had defied the strike call. Police said they were treating the case as attempted murder.

Officials at the New Amsterdam Hospital, 62 miles east of here, said the workers were under observation. Government analysts were examining samples of the water.

The strike has crippled operations at two of the country's 10 state-owned estates.

The National Association of Agricultural Commercial and Industrial Employees (Naacie) which represents workers on the technical side of the industry, today said it planned to join the strike.

The Guyana Sugar Corporation (Guysuco) today said it had not been officially told by GAWU as to the cause of the strike which, it contended, was in breach of the current collective agreement between the two sides. It urged workers to return to work.

UNIONS OBJECT TO ST VINCENT'S MITCHELL'S REMARKS

FL171912 Bridgetown CANA in English 1518 GMT 17 Dec 85

[Text] Georgetown, Dec 17, CANA -- Trade unions affiliated to the ruling People's National Congress (PNC) have sent a joint cable to St Vincent and the Grenadines Prime Minister James Mitchell, objecting to statements he made on the outcome of Guyana's controversial general elections. Opposition parties, some civic bodies, and church leaders have said the elections, which saw the return to power of the PNC by a landslide, were rigged.

Mitchell said the result had put the credibility of the whole Caribbean at stake. Guyana was a burden the region had to carry, he added.

The cable to Mitchell said the unions strongly objected to his misinformed pronouncements and resented his vulgar attempt at interfering in Guyana's internal affairs. The unions said the elections were free and fair and demonstrated the overwhelming popular support for the PNC and President Desmond Hoyte.

The trade unions, most of them small, are the Sawmill and Forest Workers Union (SFWU), Guyana Labour Union (GLU), General Workers Union (GWU), Public Employees Union (PEU), the Guyana Co-operative Mortgage Finance Bank Staff Association (Gcmfbsa), the Guyana Public Service Union (GPSU), the Union of Agriculture and Allied Workers Union (UAAWU), the Manpower Citizens Association, the Guyana Local Government Officers Association (GLGOA), the Almagamated Transport and General Workers Union, the Postal and Telecommunication Workers Union, the Association of Masters and Mistresses, and the Government Employees Union.

Most of Guyana's big unions are opposition-controlled.

JESUIT PRIEST ALLEGING ELECTION FRAUD EXPELLED

FL172340 Bridgetown CANA in English 2330 GMT 17 Dec 85

[Text] Georgetown, Guyana, Dec 17, CANA -- Guyana's left-wing government has ordered the expulsion of British-born Jesuit priest Patrick Conners, Roman Catholic Bishop Benedict Singh said today. He told reporters the Home Affairs Ministry notified him yesterday that Conners' work permit had been withdrawn and the priest would have to leave the former British colony by Friday. No reasons were given and government officials were not available for comment.

Last week, Singh joined Anglican Bishop Randolph George and Guyana's main opposition parties in alleging massive fraud and intimidation in general elections which the ruling Peoples National Congress (PNC) won by a landslide earlier this month.

Conners, 51, has lived in Guyana for 21 years and served as a missionary in the interior before becoming a teacher at a school in the capital.